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DYNAMIC MANAGERIAL CAPABILITIES OF MARKETING IN STRATEGIC CHANGE

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ABSTRACT

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Organizations are facing a turbulent market environment especially because of digitalization and other external changes in the marketplace. Dynamic capabilities can foster the competitiveness of the enterprises performing in these unstable business environments. This requires valuable dynamic managerial capabilities from leaders and especially from the top management who can help to develop and enhance these capabilities. This study examines the dynamic managerial capabilities of marketing, as marketing can be an important factor improving the competitiveness by taking the market-oriented aspect into consideration.

The purpose of this thesis is to identify, categorize and interpret dynamic managerial capabilities of marketing managers and their roles in the strategic change of a business. The theoretical framework of the study consists of exploring the diverse purpose and tasks of marketing managers together with the dynamic managerial capabilities. These capabilities are reflected through activities and cognitive abilities that can be recognized with tasks performed in the processes of sensing and seizing opportunities as well as reconfiguring assets in strategic change. The strategic tasks of marketing managers are detected in these processes.

In the qualitative research, semi-structured interviews were conducted with 12 top marketing executives from Finnish companies of different sizes performing in dynamic market environments. Critical Incident Technique was used as a supportive method aiding the identification of the most important tasks and capabilities in each of the processes. Content analysis and coding was utilized as analysis methods in the categorization of these capabilities into the three processes reflecting the strategic change. Micro-level tasks consisting of different activities and cognitive abilities were identified in order to detect the important dynamic managerial capabilities within each of the three processes that foster the strategic change.

The key dynamic managerial capabilities of marketing management were identified to be mainly customer-centric, relational, creative and cultural in nature. Three groups of managerial capabilities were formed in this study with the additional sub-capabilities that were identified from the interviews. The groups consist of 1) Individual and rational dynamic managerial capabilities, 2) Relational and human-centric dynamic managerial capabilities, and 3) Creative and cultural dynamic managerial capabilities. Sub-capabilities were recognized within the three groups. The most essential dynamic managerial capabilities throughout the processes were relational, creative and cultural capabilities.

The findings of this study indicate that the above-mentioned capabilities are mostly affective and human-centric in nature differing from the existing research where capabilities have been observed from a rational and individual point of view. Thus, this study brings a more behavioural and emotional view into the research of dynamic managerial capabilities and their microfoundations along with the new concept of dynamic managerial capabilities of marketing extending the research on strategic marketing. This study suggests that marketing executives have creative and affective customer-centric dynamic capabilities that could be valuable in building of unique dynamic capabilities of an organization.

Keywords: Dynamic managerial capabilities, marketing managers, strategic marketing, strategic change

The originality of this thesis has been checked using the Turnitin OriginalityCheck service.

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1 INTRODUCTION

1.1 Capabilities of management in turbulent business environments

The business environment is in a constant change and these changes are driven even further by digital revolution, global competition together with the fragmentation of customer needs. Changes in the external environment usually require a re-evaluation of the strategy and adaptation to these changes on top of a proactive development of the business model in order to stay relevant in the market. This in turn requires different resources and capabilities from organizations that are difficult to imitate, such as mental or psychological resources and capabilities. The business environment has rapidly evolved with a growing number of different technologies and tools let alone trends like data-driven decision making and the use of Artificial Intelligence in decision making. The accelerating pace of this constant change is creating a need for businesses to adapt to changes in the marketplace and to develop different capabilities helping them to keep up in this ongoing culture of change.

Strong capabilities in addressing the environmental changes appear as critical success factors explaining company competitiveness (Eisenhardt & Martin 2010; Teece, Pisano & Shuen 1997). Without valuable capabilities, the corporate strategy becomes invaluable. Indeed, according to an IBM research up to 70 % of organizational transformations fail due to poor management skills, and the abilities of managers leading these changes are regarded as a key to success (Gleeson 2017). In fact, the top-level managers are noticed to have an increasingly important role in the success of strategic changes in adapting to the external environment and excelling in the market (Virany, Tushman & Romanelli 1992; Tushman & Rosenkopf 1996). Hence, management has been seen to play a significant role in the creation, improvement and integration of these crucial capabilities influencing the performance and competitiveness of a company (Adner & Helfat 2003). There is an observation of a growing need to understand the role and capabilities of managers in strategic change since they can be seen to be a key to the superior performance of a company (Helfat & Peteraf 2015).

The Analytic Services Report of Harvard Business Review (2016) names the adaptability as well as customer focus as the most important capabilities of an organization in today's dynamic business environment. Organizations need to scan proactively their business environments for relevant opportunities and threats, and then respond to these changes in a customer-focused way. Marketing has been growingly characterized as being equal to market-orientation in companies and its role has been often defined as answering to the changing needs of customers and the business environment (Day & Moorman 2010; 2016; Webster 1992). Indeed, due to its market-orientation, marketing has been seen to possess valuable capabilities required in the turbulent business environment and the changing needs in the market.

Marketing has been implied to have a positive effect on company performance due to its customer-led and market-oriented nature (Feng, Morgan & Rego 2015). It is suggested that firms require marketing leaders who organize the firm's capabilities, culture, employees, structure and other assets so that the organization can constantly respond and adapt to market changes in a superior manner (CMO Network 2017; Day & Moorman 2016). Moreover, according to a Forrester survey 62 % of companies going through strategic digital transformation had better growth when the change was driven by a CMO instead of a CIO, thus suggesting the importance of marketing managers in leading strategic changes (Hambelton 2018). While the importance of marketing has been detected, at the same time there has been a growing debate around the strategic role of marketing managers in companies. The tasks of marketing managers have consisted mostly of tactical tasks such as the production of sales materials along with sales promotion through marketing communications instead of strategic tasks concerned with driving the development of superior performance of a company (Court 2007; Homburg, Vomberg, Enke & Grimm 2015; O'Brien, Veenstra & Murphy 2018; Whitley & Morgan 2017). In Finland, only 39 % of marketing managers are in the executive team or the *C-suite* of their companies (Deloitte 2017).

The requirements and responsibilities of marketing managers are changing and according to a study in the US, the average tenure of a marketing manager is under 4 years, which is one

of the shortest tenures in the top management team (Rooney 2018). The growing tenure in the C-suite has often been caused by unbalance between the unrealistic expectations let alone the low authority given to them, and this has triggered the need to re-evaluate their roles in organizations (Webster, Malter & Ganesan 2003; Whitler & Morgan 2017) and in strategic change (Hambelton 2018). This provokes a question of what kind of capabilities these marketing managers have and whether they should be given a larger role in driving these strategic changes in their companies? Indeed, there's a growing need to understand the dynamic capabilities of marketing managers and the role of these managers in the transformation of a company in driving change that leads to possible superior performance and competitiveness in the dynamic marketplace (Jaworski 2011; Moorman & Day 2016).

1.2 Research objectives and questions

The purpose of this study is to identify, categorize and interpret dynamic managerial capabilities of marketing managers and their roles in strategic change of a business. Dynamic managerial capabilities can be perceived to be reflected through different activities and cognitive or mental capabilities, the *microfoundations*, that can be recognized with upper-level tasks performed in the processes of sensing and seizing opportunities as well as reconfiguring assets in strategic change. Thus, this study is guided by the following research questions:

- 1) *What kind of tasks including different activities and cognitive abilities marketing managers can be identified to have in the processes of sensing, seizing and reconfiguring?*
- 2) *What kinds of dynamic managerial capabilities marketing managers can be identified to have in strategic change?*

Strategic change is often triggered by different changes coming from the external environment of a company that organizations need to sense, seize and adapt to in order to stay competitive. This requires a realignment of the company's strategy along with different valuable capabilities to be able to respond to these changes in an agile manner. In the strategic management literature, the theory of *dynamic capabilities* has emerged as an answer to this competitive advantage of companies surviving in the dynamic and ever changing business environment of today (Eisenhardt & Martin 2000; Teece et al. 1997; Teece 2007; Teece, Peteraf & Leih 2016).

The research of dynamic capabilities has mainly focused on the organizational level (e.g. Eisenhardt & Martin 2000; Teece et al. 1997; 2007) even though top management is recognized to have an important role in strategic reorientations (Virany, Tushman & Romanelli 1992). Although research on *dynamic managerial capabilities* focusing on the managerial level perspective is growing, the theory still lacks empirical evidence (Adner & Helfat 2003; Helfat & Peteraf 2015) as well as the perspective of marketing management (Jaworski 2011; Moorman & Day 2016). As a matter of fact, studies on managerial dynamic capabilities are mostly concerned with the role and capabilities of the CEO (Adner & Helfat 2003; Helfat and Peteraf 2015; Kor & Mesko 2013) and some studies are just beginning to take the perspective of other managers, such as the middle management (Martin 2011).

However, there is a recognized need to take the perspective of other managers of the top management team (Helfat & Peteraf 2015) and especially the one of marketing given its potential source for dynamic capabilities due to its market-led and outside-in approach (Day 2011; Moorman & Day 2016). Marketing literature is only beginning to see the importance of dynamic capabilities; however, these studies have been mainly conceptual and taking a general view instead of a micro-level perspective (see Moorman & Day 2016; Morgan, Vorhies & Mason 2009; Morgan, Katsikeas & Vorhies 2012). Also, the existing research on strategic marketing is lacking studies on the roles of marketing managers and their role in strategic planning (Morgan, Whitler, Feng & Chari 2018) and especially in driving change (Jaworski 2011).

The research on strategic marketing together with the role research of marketing managers has mainly been conceptual and quantitative in nature (e.g. Boyd, Chandy & Cunha 2010; Mintz & Currim 2013; Morgan et al. 2018; Nath & Mahajan 2008; Webster et al. 2003). In fact, there is a distinguished gap on this topic in the theory of strategic roles of marketing (Morgan et al. 2018; Whitler & Morgan 2017). This research brings depth to the theory around the topic by taking the perspective of valuable dynamic capabilities of marketing managers on top of the most essential tasks of these managers to understand their roles in the environment of change. Marketing has been criticised for focusing too much on tactical tools and tasks both in the practical world (Klaus, Edvardsson, Kenningham & Gruber 2015) let alone in the research tradition of strategic marketing (Morgan et al. 2018). There is a recognized need for marketing to take on a broader, more holistic role in the company (Klaus et al. 2015), and the recognition of dynamic capabilities of marketing managers have a potential to give more insight on this role and how it should be defined.

Also, Marketing Science Institute (2018) has brought up a need to enhance the voice of marketing in the C-suite and to study its role in the top management team (TMT) as a tier one level research priority. In fact, the role of marketing has been emphasized already for several years in these research priorities (e.g. Marketing Science Institute 2016; 2014). According to Jaworski (2011) there is indeed only shallow and outdated knowledge on the roles and positions of marketing managers, and the perceptions between the academics and practitioners are not aligned with each other (see also Whitler & Morgan 2017). As a matter of fact, he calls for the need for managerially relevant research. He emphasizes especially the need for more research on the roles to build deeper understanding on the topic and to understand the roles in the strategic change of organizations.



Figure 1. Theoretical positioning of the study

The theoretical position of this study is illustrated in Figure 1 by showing how this research will combine the literatures of strategic marketing and strategic management. These research streams are combined by using the theories of dynamic managerial capabilities along with the microfoundations of dynamic capabilities, thus extending the theory of dynamic managerial capabilities into the research on strategic marketing. As a result, there will be a formation of the concept of dynamic managerial capabilities of marketing in addition to initial perspective on different roles of marketing managers in the process of strategic change.

1.3 Assumptions and definitions of the study

This research focuses on the micro-level, or individual *managerial level* of marketing, therefore having marketing managers as objects of this study rather than the organization or marketing itself. Marketing can be perceived, for example, as a culture, a process or a function, but this study is concentrating on the micro-level of marketing with the assumption that the marketing managers and people in charge of marketing are the levers of marketing thought and culture in the organization and its top management team where the strategic planning takes place (see Day 2011; Moorman & Day 2016)

In fact, there is a growing need for recognizing managers as actors in the research on strategic planning and execution (Whittington 2006). Managers are eventually the ones who develop the strategy, thus strategy is seen as a practice of people that requires human action (e.g.

Hambrick & Mason 1984; Jarzabkowski 2004). This research will focus on the top management level of the organization, and will take a perspective of the highest level of marketing management executives. Indeed, top management is seen to have a critical role in transforming the enterprise and its capabilities because they often make the decisions that lead to the development, enhancement and alignment of these crucial dynamic capabilities of organizations (Adner & Helfat 2003; Helfat & Peteraf 2015; Teece 2007, 1327).

Dynamic capabilities can be defined as the capacity of a company to create, expand and modify its resources in a purposeful manner, and these resources or assets include the physical as well as the human capital and capabilities that a company possesses or has access to (Amit & Schoemaker 1993, 35; Helfat et al. 2007). Dynamic capabilities are seen to include difficult-to-replicate capabilities that are required when adapting to changing customer and technological opportunities (Teece 2007; 1319-1320). This research will concentrate especially on the human capital and tacit knowledge side of resources taking the perspective of human action and cognitive abilities. Thus, this research concentrates on the actors who possess these capabilities from the perspective of *dynamic managerial capabilities* (see Table 1).

The dynamic managerial capabilities will be identified from the micro-level actions, the *microfoundations*, by detecting *activities* as well as *cognitive abilities* of managers performing specific tasks in the processes of sensing, seizing and reconfiguring in strategic change. The activities are identified based on a combination of theories of the tasks recognized from the existing research on strategic marketing together with the ones identified from the research on strategic management. These tasks reflect the processes of dynamic capabilities in the strategic management literature, which are called the microfoundations of dynamic capabilities (Helfat & Peteraf 2015; Teece 2007).

Table 1. Main concepts and definitions of the study

Concept	Definition
<i>Dynamic capabilities</i>	The capacity of an enterprise in aligning, building, transforming and reconfiguring its capabilities in responding to the external market changes. The capabilities are reflected through the processes of sensing, seizing, and reconfiguring assets (Eisenhardt & Martin 2000; Teece et al 1997; Teece 2007; 2012).
<i>Microfoundations of dynamic capabilities</i>	The specific skills, processes, procedures, organizational structures, decision rules, and disciplines that reflect the that are difficult to develop and deploy that are reflected through the processes of sensing, seizing opportunities and reconfiguring assets (Eisenhardt & Martin 2000; Teece 2007).
<i>Dynamic managerial capabilities</i>	The capabilities that enable managers to build, integrate, as well as reconfigure resources and competences of an organization. It refers to the capacity of individual managers to perform certain tasks including different activities and cognitive abilities that can be reflected through microfoundations (Adner & Helfat 2003; Helfat and Peteraf 2015).
<i>Strategic marketing</i>	The general field of study focusing on the marketing-related phenomena and decision making that can be seen important the understanding of long-term performance of offerings, brands and organizations (Morgan et al. 2018; Varadarjan 2010).
<i>Marketing manager</i>	Or Chief Marketing Officer (CMO) is a member of a top management team (TMT) or executive team that is responsible for the strategic management concerned with marketing activities (Boyd, Chandy & Cunha 2010, 2).

The *tasks* in this study are considered as upper-level actions, such as strategic decision making, which can include different sub-activities. These *activities* can be related to the conduction of market analyses in the information collection process, or the activities in detecting new opportunities. On the other hand, *cognitive abilities* in this example, could be

related to the ability of using this information by evaluating and reasoning in order to make sound conclusions. The mental or cognitive abilities are recognized using the framework of dynamic managerial cognitive capabilities of Helfat and Peteraf (2015) that bring these capabilities at the managerial level and in the context of strategic change. These mental capabilities are defined in a more general manner, and therefore this research will not use profound theories from psychology or go deeper in the psychological processes of managers. Also, the term *cognitive abilities* is used in this study to make a distinction between cognitive capabilities and dynamic managerial capabilities, that include various activities along with the use of different cognitive abilities.

Strategic change is seen as a continuous process in this research consisting of the processes of sensing opportunities and threats, seizing opportunities with decision making and strategic planning, and implementing strategies by reconfiguring assets. These changes can be more fundamental in nature affecting profoundly the organization and its business model, such as changing the whole leadership culture, or they can be smaller strategic changes like reforming the company brand. Strategic planning can include different formal practices such as strategy days, workshops or monthly meetings, while it can also be formed through informal practices in the hallways or coffee table discussions at workplaces (see e.g. Burgelman et al. 2018). In this way strategy formation can also be emergent and not as a clear linear process consisting of different clear stages in a specific order (e.g. Mintzberg 1978; 1994; Menon, Bharadwaj, Adidam & Edison 1999). In the domain of marketing strategy research, there is a recognized need for a broader research perspective since many studies have been focusing on single marketing strategy tools or specific marketing mix tools without taking into consideration the broader marketing strategy process (Morgan et al. 2018). This research will take a broad perspective of strategic marketing aligning together with the process of strategic change.

2 THEORETICAL BACKGROUND

2.1 Defining the role of marketing

2.1.1 Marketing as a market-orientation

Marketing is the art and science of creating demand to drive profitable growth.

– David W. Mischler, President of Altascend Consulting

In the research literature, it is common that marketing and its role in organizations is defined in many diverging ways. For example, some researchers see marketing as the marketing organization itself (e.g. Anderson 1982; Wirtz, Tuzovik & Kuppelwieser 2014). Others see marketing as processes and tasks (e.g. Moorman & Rust 1999) or as a culture and a way of thinking (e.g. Webster 1992; Strandvik, Holmlund & Grönroos 2014). In fact, there are many different definitions and perceptions for the concept of marketing not to mention of the purpose that marketing should have in the organization. Therefore, marketing is considered a fairly unstable concept in the existing marketing research.

Based on previous studies concerning the issue of the role of marketing in organization, the definitions can be roughly divided into two main roles. In the first one, marketing is seen as an organizational *structure*, whereas in the other viewpoint, marketing is seen as a way of thinking or a *mental orientation*. There are few representative studies collected in Table 2 along with the main characteristics and research issues identified in these perspectives.

As it can be noticed in the Table 2, the role of marketing has been defined either through a way of thinking as in a mental orientation, or as a structural role through the actual marketing function in the organization. From the perspective of a mental orientation, marketing has often been characterized with being equal to customer or market-orientation (e.g. Webster 1994; Wind & Robertson 1983; Wirtz et al. 2014). In this case, the role of marketing is to be

the voice of the customer in the organization as well as in its strategic decision making. Moreover, marketing is often defined as an outside-oriented thinking or *Outside-In* thinking, where its role is to take the external environment into consideration, such as competitors, customers, markets and different changes, and trends related to these actors (Day & Moorman 2010). As on the other hand, the structural view sees marketing connected to a function, specific tasks and the organization itself (see Anderson 1982; Verhoef & Leeflang 2009). The role of marketing can also be seen as a question of hierarchy (Homburg et al. 1999).

Table 2. Definitions of the role of marketing in the organization

Role of marketing	Main characteristics	Main issues	Related Studies
MENTAL ORIENTATION	<ul style="list-style-type: none"> Marketing as customer or market orientation Concept of part-time marketers Marketing as culture Marketing as a way of thinking 	<ul style="list-style-type: none"> How a marketing culture should be developed How to disseminate the marketing thinking How should the company act in an outside-in way 	Wind & Robertson (1983); Webster (1992; 1994); Wirtz et al. (2014); Strandvik et al. (2014)
STRUCTURE	<ul style="list-style-type: none"> Marketing as a function Marketing as process Marketing as tasks Marketing tied to marketers Marketing as doing 	<ul style="list-style-type: none"> How marketing is organized What tasks should marketing have What is the hierarchical status of marketing in the organization How much power does marketing have 	Anderson (1982), Day (1992); Moorman & Rust (1999); Homburg, Workman & Krohmer (1999); Verhoef & Leeflang (2009); Whitler, Krause, & Lehmann (2018)

From the mental perspective, marketing is seen more as a culture or a specific way of thinking inside the organization. Hence, marketing might not be related to a particular function or team but more as a holistic way of thinking that belongs to everyone in the organization as a concept of "part-time marketers" (see e.g. Gummeson 1991). Marketing can be considered as a customer-oriented mindset that is in the core of an organization and its business model, its main task being to drive profitable growth for the company (Strandvik et al. 2014). Thus, marketing is assigned with a purpose of being a culture that is embedded in the core of a

company as a specific mentality. In fact, some researchers have argued this being the only purpose left of marketing, and they have even questioned the importance of having a concrete marketing organization and management (see Webster et al. 2003).

Separating the concept of marketing as a mentality and as a structure is not always completely unambiguous and these perspectives can often be overlapping. For instance, the marketing managers, as vital part of the marketing organization, can be seen as the ones who represent the customer-orientation mentality in the top management team of a company (Webster 1992; Strandvik et al. 2014). Moreover, there is a link identified between the two approaches. For example, Verhoef et al. (2011) suggest that the market-orientated way of thinking can enhance the power of the marketing function in the organization whereas Wirtz et al. (2014) along with Strandvik et al. (2014) explain the influence of a marketing function with the market-oriented culture of a company. These views are seen to be complementing each other, and the marketing manager can be a representative of the marketing function and its tasks but at the same time of the marketing way of thinking.

2.1.2 Tasks and activities of marketing management

The tasks of marketing traditionally include the management of contact points between customers, company as well as competitors and other stakeholders. Activities and responsibilities concerned with marketing has also included the tasks of the traditional 4P model, such as decisions about the company's offering, ways to deliver products or services, pricing as well as promotional activities (see Borden 1964). However, in many organizations nowadays these traditional marketing activities have been dispersed to other functions, such as sales and research and development. Therefore, the tasks assigned to marketing managers differ depending on the industry, offering, type of organization, organizational structure and on the size of the company (Jaworski 2011, 218).

Nevertheless, Jaworski (2011, 218–221) has recognized normative main tasks that are usually assigned to marketing managers. These include strategic tasks such as establishing the role of marketing in the organization, the ownership of the voice of the customer along with market insight, and the responsibility of overseeing the marketing strategy. In addition

to these strategic tasks, he lists more tactical tasks also concerned with the implementation of the marketing strategy, the coordination of marketing activities, monitoring, and controlling. These different tasks are summarized in Table 3, where they are divided into four groups: informational, relational, decisional and communicational tasks.

The first category of informational tasks consists of tasks related to the collection, interpretation, evaluation, dissemination and the utilization of information. These tasks are concerned with activities of marketing managers related to collecting relevant information by making market and customer analysis (Jaworski 2011; Moorman & Rust 1999). The information can consist, for example, different trends in the marketplace such as changes in preferences of the target market, new or existing competitors or other trends affecting the demand in the market and different ways to serve the market. Informational tasks could include also making different market, customer and competitor analysis when assessing the current situation of a company and for opportunity recognition (Moorman & Day 2016, 26; Morgan et al. 2018). In a similar manner, Webster (1992) recognizes the strategic tasks of marketing to include assessing of market attractiveness and its competitive effectiveness. This can be also related to monitoring and controlling, such as measuring the financial performance of marketing. These tasks are concerned with developing suitable metrics for reviewing marketing performance (Hanssens & Pauwels 2016).

The second category of relational tasks include creating, building, and enhancing meaningful relationships with external stakeholders such as customers, competitors and other business partners (Boyd et al. 2010, 4). This consists of searching for suitable partners and alliances as well as customer relationship management (see Grönroos 2009; Homburg et al. 2014, 628). In fact, even some researchers emphasize the purpose of marketing being in the management of relationships with its external in addition to its internal stakeholders (Webster 1992). Moreover, Grönroos (2009) even suggests that the focus of marketing should be in the “ownership” of customers and customer relationships, and thus the main tasks of marketing includes the formulation and communication of customer value proposition with the focus on relationship management.

Table 3. Main tasks and activities of marketing managers

Category	Tasks	Related studies
INFORMATION TASKS	<ul style="list-style-type: none"> • The collection, interpretation, evaluation, dissemination and utilization of information in the organization • Related to customers, competitors, markets, trends etc. • Measuring & monitoring performance 	Boyd et al. (2010, 2-3); Homburg et al. (1999); Jaworski (2011, 219); Moorman & Day (2016, 26); Moorman & Rust (1999); Morgan et al. (2018); Nath & Mahajan (2011); Webster (1992); Hanssens & Pauwels (2016)
RELATIONAL TASKS	<ul style="list-style-type: none"> • Developing and managing relationships with different external stakeholders, CRM • E.g. customers, marketing agencies, alliance partners, competitors 	Boyd et al. (2010, 2-3); Day (1992); Grönroos (2009); Homburg, Hahn, Bornemann, & Sandner (2014, 628); Webster (1992)
DECISIONAL TASKS	<ul style="list-style-type: none"> • Making decisions related to marketing strategies by deciding about the level and types of investments and targets etc. • Contributes to decision making by acting as a voice of the customer 	Boyd et al (2010, 2–3); Kerin et al. (1990) ; Morgan et al. (2018, 4) ; Slater & Olson (2001); Slater et. al (2010); Strandvik et al. (2014); Varadarajan & Jaychandran (1999); Verhoef & Leeflang (2009); Wind & Robertson (1983); Webster (1992); Wirtz et al. (2014); Whitler et al. (2018)
COMMUNICATIONAL TASKS	<ul style="list-style-type: none"> • Acts as a communicator between different internal and external stakeholder groups • Articulates the value proposition and strategies 	Anderson (1982); Boyd et al. (2010, 2–3); Jaworski (2011, 219); Moorman & Rust (1999); Webster (1992); Wirtz et al. (2014)

The third category consists of decisional tasks related to strategic planning and the development of a marketing strategy (Boyd et al. 2010, 4). This concerns tasks such as deciding about investments, objectives and other targets and metrics (Jaworski 2011; Morgan et al. 2018). Moreover, the activities around the development of the marketing strategy are seen to include decisions and actions around assessing the current market situation, performance reviews and monitoring as well as goal-setting and the choices of target

segments and other business-model related aspects (Kerin et al. 1990; Morgan et al. 2018, 4; Slater & Olson 2001).

Boyd et al. (2010, 4) emphasize that in these tasks, the role of the marketing manager is to contribute to decision making with the perspective of customers. Similarly, other researchers have identified the role of marketing as being the voice of the customer and the market and thus its task to be about disseminating market insight inside the company (Anderson 1982, 24; Day 1992) or even establishing an “outside-in” or market-oriented culture inside the company (Day & Moorman 2010, 246). These decisional tasks can also be concerned with the tactical decisions including decisions about detailed marketing tactics as well as resource management (Slater et. al 2010; Varadarajan & Jaychandran 1999). Researchers connect these tactical decisions usually with the implementation of the marketing strategy along with the operational management and asset configuration that are related to aligning the organization according to the strategy (e.g. Jaworski 2011, 219; Moorman & Day 2016, 28; Morgan et al. 2018, 4).

The last category concerns the communicational tasks and activities (see Table 3). Many researchers have mentioned the articulation of customer value proposition of being one main task of marketing managers (see e.g. Anderson 1982; Moorman & Rust 1999; Webster 1992; Wirtz et al. 2009). Marketing managers could be regarded as the communicators between different external and internal stakeholders, such as customers, employees and other business partners (e.g. Anderson 1982; Boyd et al. 2010, 2-3). This is usually concerned with tactical tasks around the implementation and management (see Jaworski 2011, 219).

2.2 Dynamic capabilities in strategic change

2.2.1 The origin and definition of dynamic capabilities

The research in strategic management and strategic change has recognized capabilities as something meaningful to take into consideration when examining strategic change and the competitiveness of organizations (Teece et al. 1997; 2007; Helfat et al. 2007). Companies

are seen to survive based on their capabilities of changing and being flexible when it comes to external and internal contingencies. This may require the organization to take new actions in order to keep their relevance in the marketplace. In fact, companies have different resources, which can include physical ones, such as factories, lands, machines and products, as well as intangible resources, that are usually concerned with organization's culture, knowledge and capabilities (Amit & Schoemaker 1993). The theory of dynamic capabilities has emerged as an extension to the theory of resource-based view (RBV) to explain the competitive advantage of firms (Nelson 1991; Peteraf 1993; Prahalad & Hamel 1990; Wernerfelt 1984).

There is, indeed, often some mixed perceptions of resources and capabilities since they are close concepts, but they are usually separated by the difference in their characteristics. Capabilities are frequently characterized as an organization's ability to use its resources in an effective and efficient manner (Amit & Schoemaker 1993) and they involve a complex pattern of skills and knowledge (Zollo & Winter 2002). These capabilities in turn, can be divided into operational and dynamic capabilities. Operational capabilities are regarded as something that enables the "normal" operations and functions of an organization, like the coordination of external and internal resources, tangible and intangible resources etc. (Collis 1994; Teece et al. 2016).

Dynamic capabilities, however, are concerned with the organization's capability to respond to the different external and dynamic changes in the business environment (Eisenhardt & Martin 2000; Teece et al. 1997; 2007; 2016). For the capabilities to be dynamic, they need to enable the company to implement new strategies in response to changing business environments by modifying resources of the firm or by combining and transforming the existing resources in new and different ways (Teece et al. 1997). Therefore, the dynamic capabilities are considered as something valuable for organizations in order to grow and excel in the ever-changing business environment of today.

2.2.2 Dynamic managerial capabilities

The theory of dynamic capabilities has originally taken an organizational level or a firm-level view on the dynamic capabilities and thus having neglected the role of management in utilizing these capabilities (Adner & Helfat 2003, 1013). It is acknowledged that the development of dynamic capabilities can occur only when individuals in the organization utilize their knowledge and skills in acquiring, combining and transforming the resources that are available in a manner in which it takes company closer to its strategic goals (Mahoney & Pandian 1992, 364; Teece et al. 1997).

As an answer to this, Adner and Helfat (2003) shed light on the importance of the actors involved in these processes and they introduced the concept of dynamic managerial capabilities that take the managerial actions into consideration when examining these capabilities of an organization. They define dynamic managerial capabilities as the ones that enable managers to build, integrate and reconfigure resources along with competences of an organization. In fact, managers and generally the top management of a company are the ones to make the actual perceptions and decisions when going through a strategic change. The importance of top management has been noted for long in the existing research on strategic management when examining strategic change and the success of a company (e.g. Hambrick, & Mason 1984; Thomas 1988; Datta, Rajagopalan & Zhang 2003).

In this view, the explanation of difference in the performance of companies is explained by the heterogeneity of the skills and capabilities of the managers making decisions in these firms. Castanias and Helfat (1991) were one of the first researchers to bring the perspective of managerial skills of the top management to the discussion of business success through the lens of resource-based view (RBV). According to this view, resources such as information and knowledge that managers bring to the strategic discussion are important factors influencing the strategic success and ultimately the performance of a company. Later the importance of dynamic managerial capabilities was brought to light in the literature of strategic management bringing the perception of outside-oriented capabilities that are more dynamic in their nature.

The aspect of cognition and cognitive abilities of managers are growingly emphasized in the research of dynamic capabilities. Helfat and Peteraf (2015) suggest that dynamic managerial capabilities explain the variations of competitive capabilities of companies with the heterogeneity of these capabilities that are not only concrete capabilities of managers related to *action* but also including *mental* abilities that they use when adapting the organization to the market changes. This actor-centric view has been gaining increasing recognition in the research of dynamic capabilities and especially in dynamic managerial capabilities (e.g. Kor & Mesko 2013; Maritan 2001; Martin 2011) some researchers have even challenged this view to take a more behavioural-oriented perspectives to the managerial dynamic capabilities (see Felin & Foss 2012; Hodgkinson & Healey 2011; McLean 2015) in explaining the differences in capabilities and their nature. In this view the acquisition of competent managers could be one key solution to successful strategic changes.

2.3 Microfoundations reflecting dynamic managerial capabilities

2.3.1 Microfoundations in the process of change

The nature of dynamic capabilities can be considered to be very complex in their nature and thus they can be sometimes difficult to detect. Eisenhardt and Martin (2000) emphasize that these dynamic capabilities are characterized with different identifiable processes in the company, such as strategic decision making, and alliancing and they can be observed with certain routines and structures of an organization. Teece (2007) takes this view further and introduces the concept of microfoundations that can help to detect dynamic capabilities of an organization. He sees that these microfoundations are distinct skills, processes, procedures, organizational structures, decision rules, and disciplines that can be connected to the capabilities of an enterprise in sensing and seizing opportunities along with reconfiguring assets.

The research of dynamic capabilities is still quite young, and there are many differing viewpoints and definitions of the concept. However, the capabilities are often characterized with three fundamental processes of *sensing*, *seizing* and *reconfiguring* (Teece 2007). These

processes are not dynamic capabilities in themselves, but rather processes that reflect the use of these capabilities. According to Teece (2007) the process of sensing is the ability to sense and observe new market information, knowledge, opportunities together with anticipating threats. Seizing in turn, includes the ability to leverage these possible opportunities in the market, whereas reconfiguring is about realizing the change in the organization. These three processes can be considered to be interconnected with the process of strategic change, which begins with sensing opportunities and seizing them into concrete strategies, after which they are realized with reconfiguring in the implementation and assessment phase.

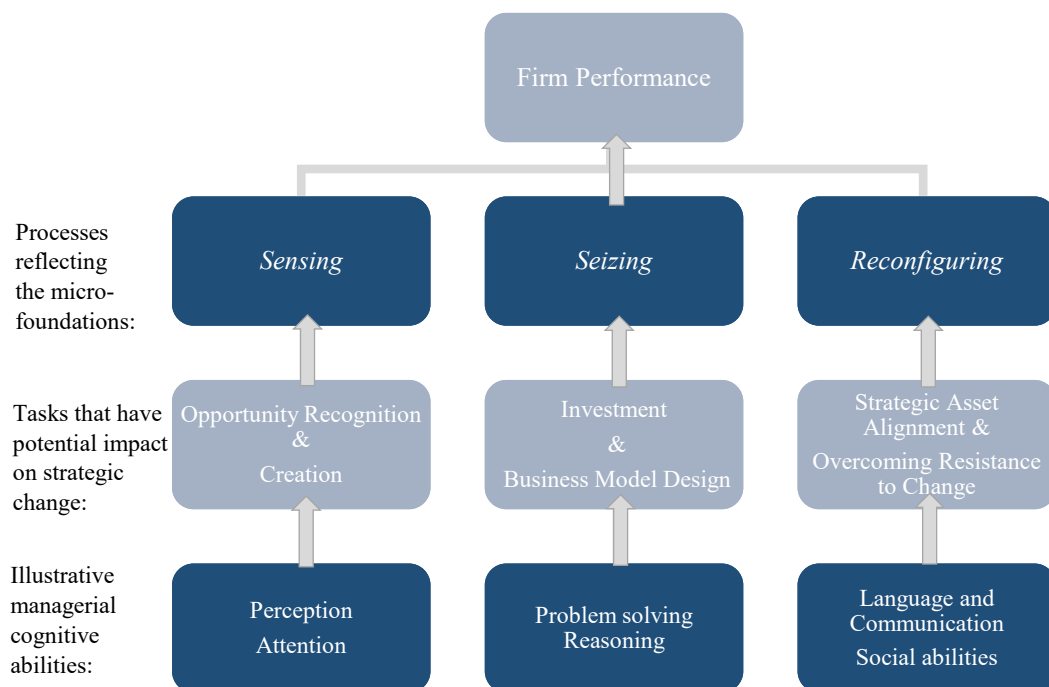


Figure 2. Managerial activities and cognitive abilities linking to firm performance
(see Helfat & Peteraf 2015)

Helfat and Peteraf (2015) have introduced a preliminary framework that takes the managerial point of view to these microfoundations. They recognize a connection between managerial cognitive abilities, such as perception, problem solving, language and communication along with social abilities through the processes of sensing, seizing and reconfiguring to impact the success of a strategic change (see Figure 2). In this framework, microfoundations are seen to be reflected through the concrete *activities* or action, and the *mental cognitive abilities* of a

manager in the strategic processes of sensing, seizing and reconfiguring (Helfat et al. 2007; Helfat and Peteraf 2015). It takes into consideration the capacity to perform a certain activity in a reliable manner (Amit & Schoemaker 1993) and thus capabilities develop through practice and actions (Helfat & Peteraf 2015; 835). They can consequently reflect the capabilities and mental abilities of a person. These microfoundations, the activities and cognitive abilities that reflect dynamic managerial capabilities are explained more thoroughly in the following section.

2.3.2 Sensing

The process of sensing is usually defined as the process where opportunities and threats are detected in the business environment and it is involved with the activities of scanning, creation, learning along with the interpretation of information (Teece 2007, 28). It could be thus characterized as a process of discovery. Also, Nelson and Winter (1982) emphasize the activities of constant environmental scanning, searching and exploring the markets in order to identify and shape opportunities. This can be seen to be connected to the informational activities of marketing managers of conducting different types of customer, competitor on top of market analysis in order to detect opportunities or threats (Moorman & Day 2016, 27). These tasks can include different cognitive activities such as interpreting available information as processing information by assembling data and facts (Helfat and Peteraf 2015, 838) in addition to concrete activities of developing different processes and structures to facilitate it (Teece 2007, 1324).

The cognitive abilities can be regarded to include abilities such as the capacity to sense opportunities before they fully materialize (Denrell, Fang & Winter 2003), which can be seen important in gaining competitive advantage in an uncertain business environment. Also, the creation of new opportunities can be considered an important capability for managers (Alvarez & Barney 2007). Helfat and Peteraf (2015, 838–839) emphasize the cognitive abilities of attention and perception to be most crucial in this phase. *Attention* is usually defined as the capability of detecting signals and relevant information (e.g. Posner & Petersen 1990). *Perception*, on the other hand, is about the capability of organizing and interpreting

information (Helfat & Peteraf 2015, 838). This is important especially in the age of big data where the data itself can be considered invaluable without the capabilities of detecting relevant information and interpreting this information to form insights (Chen et al. 2013; Bhatt 2011). This has been brought up also in the marketing literature when utilizing consumer analytics in decision making (e.g. Erevelles, Fukawa & Swayne 2016).

The process of sensing has been also connected with the capability of learning (Teece 2007, 1323). This perception is similar to the view of the process of strategic change that is often seen as a learning process, the purpose of which is to align an organization's strategy with the changes emerging from the business environment (Huff, Huff & Thomas 1992). Thus, sensing can be seen to be related to the action of forming knowledge. This can be about gathering customer insights that are important in the activities of marketing (Day 2011).

2.3.3 Seizing

The process of seizing, in turn, can be characterized as the process of addressing opportunities (Teece 2007, 1326) and responding to emerging market threats (Helfat & Peteraf 2015, 840). As a matter of fact, the recognition of opportunities and threats can be seen a waste of time if they do not translate into actions to seize valuable opportunities. Therefore, seizing can be considered an important phase in the process of strategic change. Management can be perceived to have an important role in this process since they are the ones to make the strategic decisions about the future of the company and which opportunities to address (Adner & Helfat 2003, 1013; Rosenbloom 2000). Thus, the management should have the abilities of transforming these ideas into feasible action points.

The process of seizing can be connected to the process of strategic planning and strategic realignments, hence including the activities of making strategic choices or decisions around the business model of a company (Teece 2007, 1327) or the creation of a new business model to address a new venture (Helfat & Peteraf 2015, 840). This could include marketing-related activities around the choices of target segments, value propositions, revenue models as well as the positioning of a company (Kerin et al. 1990; Morgan et al. 2018, 4; Slater & Olson

2001). Managerial decision making has typically been outlined as a critical activity in seizing opportunities. Especially since the development of new innovative products, services and processes requires quick decision making based on timely and accurate information together with agile implementation. This requires the right information for right time in the organization which can often become a critical issue (Riege 2005).

Seizing is traditionally connected also to product development and innovation when considering the business model creation of a company (Eisenhardt & Martin 2000, 1108; Teece 2007, 1327). This requires capabilities for quick experimentation and implementation. Also, it has been pointed out that the success of the decisions connected to the product or service portfolio and the new innovations are dependent on their correspondence to reflecting the needs of customers (Kinström, Kowalkowski & Sandberg 2014, 1068; Lim, Darley & Marion 2017). Product decisions have been traditionally important tasks of marketing, however, often in reality, marketing managers make decisions only about to the marketing strategy of a company (Jaworski 2011; 219).

Furthermore, this phase is commonly connected with making large investments (Teece 2007, 1326; Helfat & Peteraf 2015, 840) and the management can be seen to have a critical role in making decisions based on the investments made in developing new and essential capabilities for a company (Maritan 2001). Although this phase can include also selecting the boundaries of an organization (Teece 2007, 1334). This boundary setting could be seen to include making decisions about divestments in addition to investments. Helfat and Peteraf (2015, 840) name the cognitive abilities of problem solving and reasoning as the most critical ones required in the phase of seizing. They see that the decision making about investments requires reasoning and problem solving in order to come up with a set of options in assessment of their profit potentials along with making decisions on business models. It can include further problematizing about the strategic fit of different elements of the business model (see Porter 1996).

Problem solving can be defined as thinking that promotes finding a way around obstacles to reach goals (Gazzaniga et al. 2010) moving from the initial state towards the goal state. It

can also include different decisional heuristics that are used to help overcoming obstacles (Busenitz & Barney 1997; Kahneman & Egan 2011; Schwenk 1988). *Reasoning* is often defined as evaluating information, arguments and beliefs to make conclusions or utilizing information to decide the validity of conclusions (Gazzaniga et al. 2010, 342). Reasoning can be regarded as an important capability in decision making since it involves drawing conclusions based on information as well as assessing the quality of information used. For example, when looking through the data from market analysis, management could detect a growing new trend in their biggest target market and decide to launch a new product line based on this information. Similarly, Teece (2007, 1333) points out the capabilities of evaluating arguments and different information, and he emphasizes the capability of detecting biased thinking and improving the objectivity in decision making. However, this viewpoint has been criticized for considering people as rational information processors leaving out the aspects of intuition (see Hodgkinson & Healey 2011; MacLean et al. 2015).

Marketing has been recognized to have a key role in bringing the voice of the customer to the decision-making process to make the decisions of a company to be based on accurate and market-oriented information that is connected to the informational and decisional tasks of marketing managers (Anderson 1982; Day 1992; 2011; Jaworski 2011, 219). Indeed, Teece (2007, 1333) points out that the formation of an outside view based on external market data can eliminate biases in decision making. Teece (2007, 1334) also mentions on a side note the activities of validating the strategy and the role of leadership in building loyalty and commitment inside the organization, whereas Helfat and Peteraf (2015, 842) emphasize the capabilities concerned with leadership skills in the next process of reconfiguring.

2.3.4 Reconfiguring

The last process, reconfiguring, can be defined as the phase of management and reconfiguration of the company's assets. Teece (2007, 1335) emphasizes the importance of this phase in sustaining profitable growth with the recombination of assets and structures. This requires the capabilities of managers in integrating, building and reconfiguring of competencies and assets (Teece et al. 1997, 516). It is concerned with the physical

transformation of a company that can be connected to the tasks of implementing strategies and thus aligning the company to be the reflection of those strategies.

Helfat and Peteraf (2015, 842) emphasize the managerial role in coordinating the adaptation of strategic assets, since it involves managerial choice and action especially from the top management. The coordination of assets includes the selection, configuration, alignment in addition to the reformation of tangible and intangible assets in the company (Helfat et al. 2007). This is concerned with modifying existing assets such as processes, structures and practices of the organization, such as inducing co-operation or decentralization of a company, along with acquiring new assets through recruitment practices. Decentralization is seen important as it can benefit the customer value when there is an integrated offering that is not designed in a silo but having different functions in collaboration together, and exploiting diverse knowledge (Teece 2007, 1336). In fact, many researchers have emphasized the role of marketing managers in linking different functions by coordinating and communicating the marketing activities across functions (Jaworski 2011, 219) in addition to the coordination of market-oriented thinking and the market information inside the organization (Day 1992; Day & Moorman 2010).

Reconfiguring is connected to the core of strategic change since many actors are involved in the organization and it enables the organization to leverage new opportunities and manage challenges to develop or maintain its competitiveness in the market, and it effects the structure, identity and the ways to operate in a fundamental way (Kunisch, Bartunek, Mueller & Huy 2017, 3–4). This adaptive learning is especially connected to this phase of realizing the change inside the organization, and it requires the company to reconfigure its assets as well as to shape its culture (Teece 2007, 1335). The cultural mentality of continuous change supports a proactive way of forecasting threats and opportunities that enhance organization's flexibility and capability to adapt rapidly to different internal and external changes. This calls for managerial leadership skills and capabilities (Teece 2007, 1335). In fact, Brown and Eisenhardt (1997) stress the need for future-oriented thinking from decisionmakers in addition to the willingness to experiment. Change-oriented, transformative leaders are

commonly described as change advocates who can motivate and inspire employees on top of giving the power and responsibility to drive these changes (Kotter 1995).

Also, Helfat and Peteraf (2015, 842) emphasize managerial role in overcoming the resistance to change as it is a widely acknowledged problem in strategic change of an organization (Kaplan & Henderson 2005; Rumelt 1995). This could include motivating and inspiring others in addition to social skills reflected through managerial leadership skills. Consequently, Helfat and Peteraf (2015, 842) designate the cognitive abilities of language and communication along with social abilities to be most critical in the phase of reconfiguring. *Communicational and language abilities* are seen important in communicating the strategic goals to rest of the organization (Barnard 1938), and there can be differences within the style of communication, since some managers can be more talented in inspiring and spreading their vision to encourage initiatives (Wesley & Mintzberg 1989). Also, this capability is concerned with the communicational skills of storytelling as a means of inspiration or persuasion (Conger 1998; Swap, Leonard, Shields & Abrams 2001; Taylor, Fisher & Dufresne 2002). This is concerned with communication of marketing strategy as well (Moorman & Rust 1999; Jaworski 2011, 219; Webster 1992; Wirtz et al. 2014).

Social abilities are seen important for managerial leadership skills and capabilities that foster co-operation (Teece et al. 1997), building trust (Zaheer & Venkatraman 1995) in top of managing power relations inside the organization (Helfat & Peteraf 2015, 844). These social abilities are closely related to other cognitive abilities, such as sensing social cues when making a perception of a situation. However, they can be regarded an own entity and thus Helfat and Peteraf (2015, 844) bring up their significance in overcoming the organizational resistance to change by overcoming inertia and other barriers to change. This capability could relate to making important social ties with strategically significant external partners and alliances that is considered as an important task of marketing managers (Boyd et al. 2010, 2).

2.3.5 Summary of dynamic managerial capabilities

The microfoundations were recognized from the existing research on strategic management along with the research on strategic marketing that was described in the previous chapter. These microfoundations are formed of different specific tasks, sub-activities and cognitive abilities which are collected in Table 4 for illustration. The identified microfoundations are divided to the different processes that reflect the phases of a strategic change. The first process, *sensing* includes the activity or task of environmental scanning (Kaplan et al. 2003; Peteraf & Bergen 2003), which is related with recognizing new opportunities, anticipating threats along with creating new opportunities (Teece 2007, 28; Winter & Nelson 1982). In this process, Helfat and Peteraf (2015) suggest the managerial cognitive abilities of perception and attention to be important in recognizing relevant information and assessing information in addition to the formation of knowledge. This means that they have the capability to forecast and examine relevant threats and opportunities in the market, as well as capability of forming knowledge or a larger picture (Teece 2007, 1323).

The second process, *seizing* opportunities and responding to threats, is concerned with the decision-making activities related to strategic planning. This phase includes the activities of making required investments in intangible and tangible assets (Maritan 2001), and planning new business model (Teece 2007, 1326) along with setting the boundaries of a company by making divestments. Helfat and Peteraf (2015) pinpoint the mental capabilities of problem solving and reasoning for this phase since they can be seen essential when making required strategic decisions in the planning process. This is related to the capabilities of managers finding suitable solutions when overcoming obstacles (Gazzaniga et al. 2010) as well as the ability to mentally move forward in strategic change from the starting point towards the goal, thus the ability of envisioning the desired change. Also, this is connected to ability to process and evaluate relevant information and make conclusions based on information (Gazzaniga et al. 2010).

Table 4. Microfoundations of dynamic managerial capabilities

Process in strategic change	Microfoundations reflecting dynamic managerial capabilities	Studies
SENSING <i>Sensing opportunities and threats in the market</i>	Activities <ul style="list-style-type: none"> • <i>Environmental scanning & Learning</i> (e.g. market analysis, customer analysis) <ul style="list-style-type: none"> ○ Forecasting competitive threats ○ Creating new opportunities ○ Predicting market responses Cognition <ul style="list-style-type: none"> • <i>Perception</i> <ul style="list-style-type: none"> ○ Organizing & interpreting information ○ Sense-making in an uncertain environment • <i>Attention</i> <ul style="list-style-type: none"> ○ Ability to recognize opportunities ○ Anticipating competitive threats ○ Capability of selecting relevant information 	Alvarez & Barney, (2007); Day (2011); Denrell, Fang & Winter (2003); Hill & Levenhagen (1995); Kaplan et al. (2003); Moorman & Day (2016, 28); Nelson & Winter (1982) Peteraf & Bergen (2003); Posner & Petersen (1990); Teece (2007)
SEIZING <i>Seizing opportunities and responding to threats</i>	Activities <ul style="list-style-type: none"> • <i>Decision making</i> <ul style="list-style-type: none"> ○ Selecting enterprise boundaries ○ Making investments • <i>Planning new business model</i> <ul style="list-style-type: none"> ○ Selecting product architectures ○ Selection of target markets ○ Selection of revenue models Cognition <ul style="list-style-type: none"> • <i>Problem solving</i> <ul style="list-style-type: none"> ○ Finding solutions to overcome obstacles ○ Mentally moving from the starting point to the target position ○ Finding a way around obstacles • <i>Reasoning</i> <ul style="list-style-type: none"> ○ Evaluation and assessment of information, arguments & beliefs ○ Making conclusions 	Adner & Helfat (2003, 1013); Eisenhardt & Martin (2000, 1108) ; Gazzaniga et al. (2010); Jaworski (2011) ; Kerin et al. (1990); Kinström et al. (2014, 1068); Lim et al. (2017); Maritan (2001); Morgan et al. (2018, 4); Teece (2007); Peteraf & Reed (2007); Porter (1996); Rosenbloom (2000); Slater & Olson (2001); Zott & Amit (2007)
RECONFIGURING <i>Realizing the change through the reconfiguration of assets</i>	Activities <ul style="list-style-type: none"> • <i>Coordination of assets & Management</i> <ul style="list-style-type: none"> ○ The selection, configuration, alignment, and modification of tangible and intangible assets ○ Creating synergies by connecting webs of collaborations inside & outside the firm Cognition <ul style="list-style-type: none"> • <i>Language & communication</i> <ul style="list-style-type: none"> ○ Communicating goals ○ Motivating, inspiring & persuading others ○ Storytelling skills (as tools for motivation and persuasion) • <i>Social abilities & skills</i> <ul style="list-style-type: none"> ○ Creating relations, social ties & creating trust <ul style="list-style-type: none"> ▪ Leadership skills & overcoming inertia and resistance ▪ Empathy 	Barnard (1938); Baum, Locke & Kirkpatrick (1998); Conger (1998); Day 1992; Eisenhardt & Martin (2000); Gulati (1995); Helfat et al. (2007); Jaworski (2011, 219); Day & Moorman 2010; Morgan et al. (2018); Shaw et al. (1998); Taylor et al. (2002); Teece (2007); Teece & Pisano (1994) Zaheer & Venkatraman (1995); Wesley & Mintzberg (1989)

The third and final process of *reconfiguring* intangible and tangible assets includes activities connected to the implementation of strategic change including activities such as the coordination of assets (Helfat et al. 2007; Helfat & Peteraf 2015) as well as the alignment of the organization (Teece 2007). The fundamental idea is to make sure that the organization has the assets, resources and capabilities required to pursue the new strategy. This phase can include modification of company structures, processes, practices and culture (Teece 2007). Helfat and Peteraf (2015) emphasize the cognitive abilities of language and communication in addition to the social abilities and skills including leadership skills. These capabilities are important in overcoming change, communicating goals and targets (Barnard 1938) along with persuasion and motivation (e.g. Wesley & Mintzberg 1989; Shaw et al. 1998). Additionally, management can have a role in enhancing co-operation inside the organization by breaking silos between different functions (Zaheer & Venkatraman 1995).

2.4 Theoretical framework

Based on the theoretical discussion above, Figure 3 reflects the relationships of different concepts and theories discussed in this chapter. This figure illustrates the three phases of strategic change that reflect the microfoundations of dynamic managerial capabilities. These three processes sensing and seizing opportunities along with reconfiguring company assets to realize the change are based on the framework of Teece (2007).

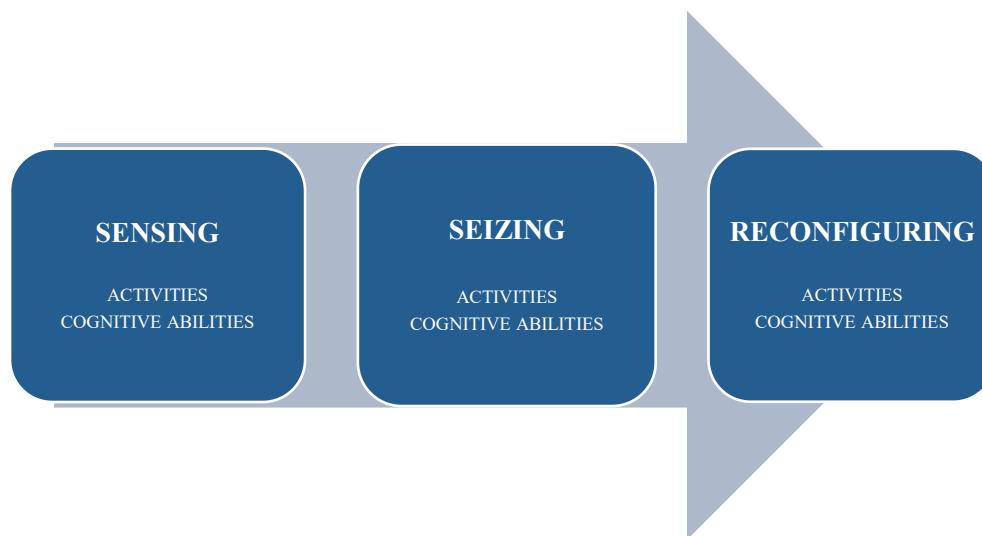


Figure 3. Theoretical framework

The three processes of dynamic capabilities in the phases of strategic change are used as a framework in this research to recognize tasks that include the different activities together with the cognitive abilities of marketing managers in the process of strategic change. These are identified with the *microfoundations* that are collected in Table 4, and combine the ones identified from the strategic management literature (e.g. Helfat & Peteraf 2015; Teece 2007), and combined with the different relational, informational, decisional as well as communicational tasks carried by marketing managers in strategic change (e.g. Day 1992; 2011; Moorman & Day 2016; Morgan et. al 2018; Jaworski 2011, 219).

In addition to these physical tasks, the cognitive managerial capabilities or mental capabilities of problem solving, reasoning, perception, language and social abilities are recognized in the formation of these managerial roles for marketing managers (e.g. Helfat & Peteraf 2015; Teece 2007). After identifying the most important activities and cognitive abilities in each phase, tentative categories of dynamic managerial capabilities of marketing will be formed. It is intended to create a more in-depth understanding about the specific dynamic managerial capabilities of marketing and the strategic roles of marketing managers in the process of strategic change.

3 RESEARCH METHODOLOGY

3.1 Philosophical approach of the research

The philosophy of the research needs to be taken into consideration in order to have a wider perspective of the research and its context along with the world view where it originates from. This means that the researcher makes choices on what, how and why the research is conducted based on the conception of reality or truth, the *ontology*, as well as the ways this reality is discovered, as in the *epistemology* of the research (Carson 2001, 12–15; Järvensivu & Törnroos 2010). These approaches can be placed on a continuum, where on one end is naïve realism and on the other naïve relativism. These two approaches have the opposite view on reality and the ways to discover it, and in between there is critical realism and moderate constructionism (Easton 2002; Järvensivu & Törnroos 2010; Lincoln & Guba 2000).

Critical realism as a philosophical approach considers truth to be independent from our knowledge of it as in naïve realism, but at the same time it can be perceived as something that is constructed socially like the naïve relativists see it (Järvensivu & Törnroos 2010, 2; Lincoln & Guba 2000). In this view, the objects or informants of the study are seen as instruments to get closer to the truth. At the same time, it is considered that the reality is constructed in social situations, for instance, with the use of different examples and cases (Järvensivu & Törnroos 2010). In this study, the real-life examples of the informants are used as instruments to discover and move closer to the truth that is needed in the building of a new theory. The way this philosophical approach of critical realism is projected in this study can be observed, for instance, with the application of the concept linked to the *microfoundations*, which are identified through specific tasks and activities. This can be considered a rather mechanical way of simplifying a complex phenomenon such as managerial dynamic capabilities and cognitive abilities of a person (Foss & Pedersen 2016). Therefore, this can be perceived to represent a view of critical realism in the research.

3.2 Qualitative research

The phenomenon of this study has not yet been profoundly studied previously and therefore a qualitative approach has been selected to get a deeper insight on the research topic. Indeed, according to Carson (2001, 68–69) a qualitative research approach is well-suited to situations where we seek to form a deeper understanding on a topic not yet that known. This approach is also suited to situations where complex phenomena is studied with the objective to create new information and knowledge of the matter (Eriksson & Kovalainen 2008, 5). The dynamic managerial capabilities along with the strategic issues that are concerning this research are considered very complex and context-dependent phenomena, and therefore a qualitative approach can be seen suitable for this research. The research in dynamic managerial capabilities has been mainly quantitative, not to mention, conceptual in nature, and there is a recognized need for richer information on this complex phenomenon (Helfat & Peteraf 2015). Additionally, Morgan et al (2018) have expressed their concern for the lack of qualitative studies in the research field of strategic marketing.

Moreover, when there is not a lot of prior knowledge on the topic, qualitative approach can provide a more explorative and flexible nature for the study (Brinkmann & Kvale 2018, 2; Carson 2001). Thus, the purpose of the study is about building new knowledge on an under-researched topic, and qualitative research approach provides the required flexibility to the research. As mentioned before, the formation of a strategy is seldom a clear rational process but instead it is characterized as being context-dependent as well as complex with different interpretations of the situations of strategic decision-making (Eisenhardt, Graebner & Sonenshein 2016). Additionally, situations and the processes of strategic change can vary depending on different contexts and people. This study is focusing on the dynamic managerial capabilities of marketing and the roles in strategic change. In this case, the qualitative approach gives more space to the research material, the voice of the interviewees.

3.3 Interview study

Interviews are one of the most common methods to collect research material in qualitative studies (Carson 2001; Hirsjärvi & Hurme 2008). Interviews are suitable methods in situations where the research is focused on values, attitudes, experiences, and processes that are yet to be discovered in a more profound manner (Brinkmann & Kvale 2018, 2; Carson 2001, 75; Hirsjärvi, Remes & Sajavaara 2009, 205). The lack of in-depth understanding of the research phenomenon let alone its context-dependent nature, were the reasons why interviews were selected as a method to collect information in this research.

3.3.1 Selecting the interviewees

According to Easton (2010, 123-124) the decision of selecting the informants for a qualitative study should not be accidental but instead it should be guided with a comprehensive strategy. In this study, theoretical sampling was utilized as a technique for selecting the cases and the interviewees for this research. Corbin and Strauss (2008) define the purpose of theoretical sampling to be gathering data from places, people, and events that will maximize the potential of developing new concepts considering their characteristics and dimensions. Similarly, Eisenhardt and Graebner (2007, 4) emphasizes the selection to be dependent on its potential contribution to the theory at hand.

In this study, the interviewees were selected with criteria originating from the prior theory of the strategic management research in addition to the two pilot interviews conducted in the beginning on the research process. First, when studying the roles of managers, the phenomenon can be seen to be grasped through the actual experiences of the people in these roles. Therefore, the most logical choice was to ask about it from the marketing managers themselves. Thus, one important criterion was that the informant is currently a marketing manager or in response of the marketing of the company.

Secondly, the informants were selected from the management level because of the strategic nature of the research phenomenon. In fact, in many organizations top management oversees the strategy formation and decision making, when it comes to situations of strategic change

(Adner & Helfat 2003; Virany et al.1992), even though there has been a movement towards a more widely involving, bottom-up way of formulating the strategy (e.g. Ocasio & Joseph 2005). In previous studies, the perspective of top management has been pointed out as an important point of view when studying the strategic role of marketing (Strandvik et al. 2013).

Table 5. List of criteria for selecting the interviewees

Criteria	Explanation
Marketing manager (<i>Chief Marketing Officer, Marketing Manager</i>)	<ul style="list-style-type: none"> • A person in charge of the marketing in the company. • Probability of having the most comprehensive view of their own role.
Top-level manager	<ul style="list-style-type: none"> • A person that is highest or almost highest in the organization in charge of marketing. • Probability of being involved in the strategic planning and decision-making of the company.
Finnish company	<ul style="list-style-type: none"> • Companies that have their board and executive team based in Finland. • Probability of strategic decisions being made with the top managers interviewed in Finland.
Companies from different industries	<ul style="list-style-type: none"> • B2B, B2C, from manufacturing, retailing etc. • Decreasing the probability of having industry-dependent roles.
Companies of different sizes	<ul style="list-style-type: none"> • Based on the age, number of employees, turnover of the company etc. • Decreasing the probability of having size-dependent roles.

After conducting the first pilot interviews, it was noticed that other criteria for the informants had to be defined as well (see Table 6). Strategy as a concept is very context-dependent as it varies according to the size, the market and the industry, not to mention the characteristics of a business. On that account, *a meta-analysis* based on secondary data on the Internet of the possible interviewees and cases was formed after the pilot interviews. A list of 57 Finnish companies were selected from different industries and of size. Each of the chosen had a Chief Marketing Officer or other equivalent top-level manager in charge of the marketing for that company.

The aspect of diversity of the interviewed companies was considered as an important criterion for the nature of qualitative research as well. In addition to this criterion (Table 6), the probability of the company going or having gone through a strategic change was taken into account. This was considered by contacting first the companies that were on more dynamic markets or that had appointed a new CMO, because usually organizational changes go in hand with strategic changes (Dutton & Duncan 1987; Huff et al. 1992).

3.3.2 Semi-structured interviews

Data collection through interview studies generally divided into three basic categories depending on their nature. These categories are structured interviews focusing on “what” questions, semi-structured interviews focusing on specific themes, and in-depth or open-ended interviews with an unstructured and narrative nature (Koskinen, Alasuutari & Peltonen 2005, 104). *Semi-structured interviews*, also called guided interviews, are usually guided through pre-specified topics and themes or outlines for the interview while preserving the possibility of varying the order or words used in the questions if needed (Koskinen et al 2005, 105; Hirsjärvi & Hurme 2008; Saaranen-Kauppinen & Puusniekka 2006). These interviews are usually focusing on the questions of both *what* as well as *how* enabling more depth into the collection of the research material (Koskinen et al. 2005, 109).

Semi-structured interviews were selected as a data collection method for this study considering their strength of directing the interview but at the same time giving space for the stories of the interviewees. As a matter of fact, semi-structured interviews usually provide more systematic material than in-depth interviews, while still giving more freedom and informality to the interview than structured interviews (Eriksson & Kovalainen 2008; Hirsjärvi et al. 2013, 164). Given the strategic nature of the research topic, it was imperative to create a more informal atmosphere for the interview in order to have the participants speak freely about their experiences on the strategy formation with a person that is an outsider to the organization. Therefore, semi-structured interviews were a suitable choice for the data collection.

3.3.3 CIT as a supportive research method

The interviews in this study were conducted by dividing them to two main parts (see Appendix 1). The first part of the interviews was concentrated on the examples of strategic changes in their organization that the informants had been asked to think ahead of the actual interview. The purpose of this first part of the interview was to get a deeper understanding of the most important tasks reflecting the capabilities of the marketing managers in strategic change through their own real-life examples of these changes. In this part of the interview, *the CIT method (Critical Incident Technique)* was used as a supporting method to help identify critical or important chains of events in the strategic change from the perspective of the marketing managers.

The roots of the CIT method are in industrial and organisational psychology, and it has been applied mostly in the field of service research in marketing (see Flanagan 1954; Gremmler 2004). The CIT as a method works well as an explorative tool in recognizing important events in addition to critical factors of an event that help (or hinder) performing a specific activity (Flanagan 1954). Nowadays, the method is seen as flexible and it is used in different ways in diverse studies (see Butterfield, Borgen, Amundson, & Maglio 2005). As in this study, the method was selected as a supportive tool for the purpose of identifying important tasks and roles that the marketing managers had in these notable strategic changes in the company from their own perspective.

After going through the examples and significant events in the first part of the interview, the CIT section was followed by *a reflection part* as a second section of the interview. In this reflective part, the role of marketing in these before discussed events was deliberated. Also, the general role of marketing in the organization was discussed along with the role in the context of the top management team in the company. These themes were taken up for the purpose of getting a deeper understanding of the context and how these roles and tasks depicting the dynamic managerial capabilities are formed. This reflective part was also slightly more informal with the intention of letting the informant speak more freely and getting a richer view on this topic (see the research structure in Appendix 1).

3.4 Research process

3.4.1 Gathering the research material

The research process consisted of various steps some of which were simultaneous. Nonetheless the research process has been illustrated with the main distinctive steps of the process in Figure 4. In this research process, both induction and deduction were applied in the different parts of the research process. As mentioned before, the phenomenon of this study had not been yet profoundly covered previously and there was not a vast theoretical basis for the roles of marketing managers. Therefore, the purpose of the study was to create a new theory, and the topic was approached with a more inductive manner in the beginning of the study. The collection of the research material began by making two pilot interviews before settling on a specific research topic or a theoretical basis. Also, the number of interviews was not decided beforehand but instead, a concept of *saturation* was exploited when collecting the research material. This means that the gathering of the informants was ceased after the research material started to reach a point of maturation as repeating itself (Flick 2018, 90; Hirsjärvi et al. 2009, 182).

After the first pilot interview it was noticed that the abrupt remembering of the strategic changes was challenging and not efficient. Therefore, instructions were sent to all the other interviewees before the interviews asking to think of a few strategic changes that had taken place in their organizations. They were supplied with a comprehensive list in order to understand the needed strategic scope of the change (see Appendix 2). After the pilot interviews, the research questions were clarified together with the terms in which the questions were asked (see Figure 4). Also, the meta-analysis was conducted with theoretical sampling that was mentioned in chapter 3.3.1.

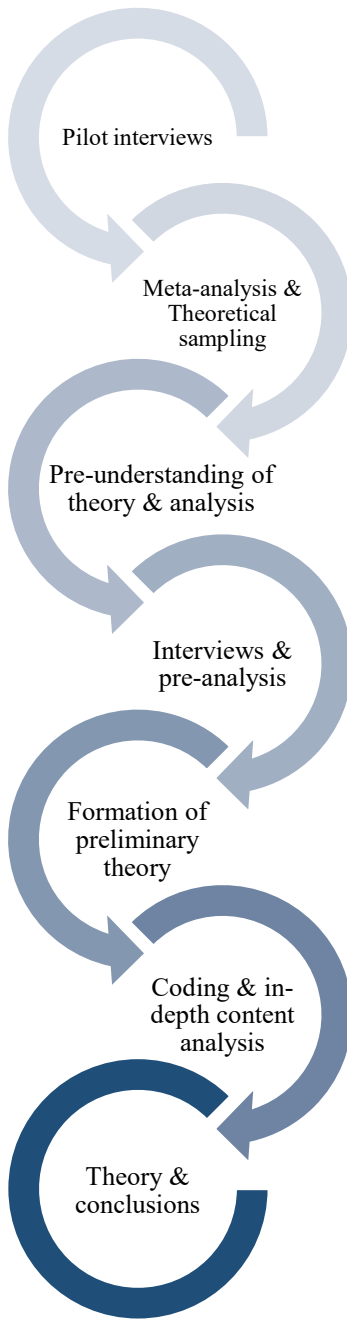


Figure 4. The research process

The research process included the collection of the empirical data simultaneously with analysis and the formation of a theoretical understanding of the topic, which can be seen in the figure illustrating this research process (Figure 4). Before conducting the interviews, the participants were asked for a permission to record the interviews, and it was told that all the

names of the informants as well as their companies would be anonymized in the study. In addition, it was made sure that all the information that could help the identification of the companies, would be left out of the report along with the secretive strategical issues of the company. This was ensured by presenting the information to be put in the report before handing it in.

The titles of the interviewees ranged from Chief Marketing Officers to Directors of Marketing or Customerships, and they were responsible for the marketing in the company. The companies were ranging by industries and types, whether they were operating in the Business-to-Consumer or Business-to-Business markets or possibly both. Some of the companies were in manufacturing and some in wholesale or retailing. The industries varied from food industry, textiles, finance, media, furniture, software and application design to digital and streaming services.

Some of the companies had a long history in their business, whereas some were young businesses already established in the era of digitalization and constantly changing business environment. However, one thing common with these companies was that all of them were affected by these constant changes and had a need to reform themselves. Another thing common to all the examples of strategic changes that were discussed, was that all of them originated from changes in the business environment, which is also the most important characteristic that separates dynamic capabilities from operational ones (Collis et al. 1994; Teece et al. 2016). Also, the sizes of companies varied as the number of employees ranged between 17 all the way to 3150 and the turnovers were between 1.4 million and 6.2 billion euros. What was common to all these companies was the positive growth in the turnover ranging from 1.3 per cent all the way to 674.5 per cent. This growth could give also some implication that there are valuable dynamic capabilities inside these organizations giving them competitive advantage in the market (see Teece et al. 1997).

Table 6. Details of the conducted interviews

Interviewee	Length	Execution
1 A (Pilot)	1:04:08	Face-to-Face
2 B (Pilot)	1:14:50	Face-to-Face
3 C	0:31:58	Face-to-Face
4 D	1:00:50	Skype call
5 E	0:45:00	Skype call
6 F	0:57:05	Video conference call
7 G	0:52:21	Face-to-Face
8 H	1:06:59	Face-to-Face
9 I	0:58:11	Skype call
10 J	0:49:59	Skype call
11 K	0:51:56	Face-to-Face
12 L	0:41:50	Skype call

The interviews were conducted between November 2018 and March 2019 and they ranged from half an hour to an hour and fifteen minutes in terms of their length (see Table 6). All the interviews were recorded and transcribed leaving out just the unnecessary repetition, except the interview number five which was not recorded due to issues in the recorder device. For that interview, the topics and the discussion were written down from memory and it was checked with the informant in order to confirm the facts. The interview data consisted of altogether approximately 131 pages of interview transcripts for analysis. A preliminary analysis was always made straight after all the interviews, this is where comments had been made before the transcription of the interview was put into process. Additionally, most important comments and possible distinctive tasks and capabilities were tentatively recognized after transcribing the interviews. A detailed analysis including codification, content together with thematic analysis was made using a codification program Atlas.it.

3.4.2 Analysis and interpretation

After collecting all the research material, the transcribed interview materials were analysed using content as well as thematic analysis. The profound analysis started with the codification

of the research material by using a coding software Atlas.ti (see Figure 5). In fact, content analysis is seen as a suitable method of analysis for a topic that has not yet a profound theoretical basis in order to give more space to the research material (Saaranen-Kauppinen & Puusniekka 2006) which was the case in this research since there is not yet a profound theory of managerial dynamic capabilities (see Helfat & Peteraf 2015).

In the analysis process, first different tasks and cognitive abilities, or microfoundations, were identified from the transcript materials by giving them codes such as “collecting information for decision making”. Coding is recognized as a good way to link data to meanings in qualitative research (Saldaña 2013, 3). The coding process and the identification of specific tasks, sub-activities and cognitive abilities included many steps and rounds of coding due to the vast amount of transcribed interview data. A large number of activities were recognized from the data but only the most important ones were taken to the in-depth analysis. The most important or critical tasks were recognized with the use of the CIT-method taking into consideration the sequence in which the issues arise as it usually portrays the order of priority of events and aspects relating to those events for that person (Butterfield et al. 2005). Thus, only the most important capabilities were taken to further analysis.

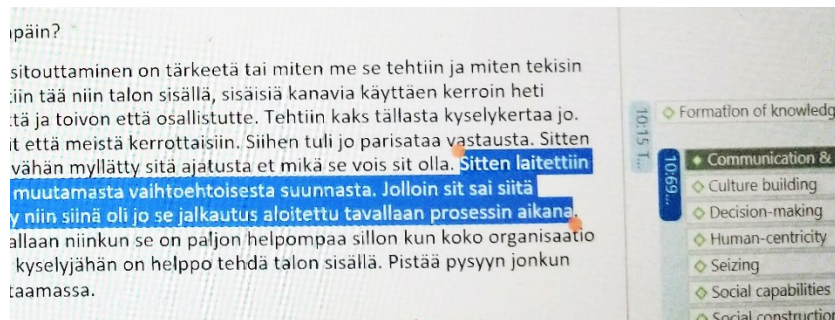


Figure 5. Coding of transcript material

The processes of sensing, seizing and reconfiguring were identified and coded simultaneously with other coding as well. After several rounds of codification, the specific tasks were collected in a co-occurrence table showing which codes occurred most often in each of the processes (see Appendix 3). Thus, a thematic analysis was used as a supportive analysis method pinpointing these different micro level aspects to the upper level themes, or

in this case the reflective processes of sensing, seizing and reconfiguring (see Table 7). This was done with the help of different types and levels of codes and by grouping the codes (see Saldaña 2013, 4). These codes were further analysed and collected after which additional different labels were given based on occurring upper level characterizations and concepts, such as “customer-oriented thinking” or “human-centric view”, and these were coded in the data and analysed together with the previous codes.

Table 7. Example of the coding and thematization of interview data

Data: Quotation	Coding	Themes
<i>“We like to involve people in the development of our business, our employees as well as our customers. [In the beginning of the process] we piloted a concept and involved customers in discussions that what they think about and what they want. At the same time, we involved our employees internally and asked how they see us and what we should do. We want to do this type of involving improvement. So that people are involved in our activity in different ways.”</i>	In vivo codes: “involving stakeholders” “collecting information” “tacit knowledge” “relational capabilities” “communicational abilities”	Looking for opportunities/Sensing Formation of knowledge Human-centricity

As a result of the analysis, some restrictions were identified in the preliminary framework and theory especially in the categorization of activities and cognitive abilities. It was observed that the most important cognitive abilities in the three processes differed from the existing theory. Also, additional groups of dynamic managerial capabilities were identified through the process of analysis. These will be discussed further with the findings of the study.

4 FINDINGS

4.1 Individual, relational and creative dynamic capabilities of marketing managers

The dynamic managerial capabilities of marketing managers were identified from the interview data based on the microfoundations of dynamic managerial capabilities or specific tasks built mainly on the framework of Helfat and Peteraf (2015) and Teece (2007). These tasks consist of both concrete activities and mental cognitive abilities in the process of strategic change. The dynamic managerial capabilities were further categorized into the processes of *sensing*, *seizing* and *reconfiguring* that indicate a company's holistic process of strategic change in dynamic markets (Teece 2007). The dynamic managerial capabilities identified from this data were somewhat similar with the microfoundations identified from the existing research on the subject (see Table 4).

In addition, several creative and cultural dynamic capabilities were identified from the interviews that have not been acknowledged in previous research. These additional capabilities, as well as relational, or human-centric capabilities, were observed in all the processes of sensing, seizing and reconfiguring. Therefore, three distinctive groups of dynamic managerial capabilities were recognized to be formed among marketing managers in these processes (see Figure 6). These capabilities included a new aspect of softer, social and emotional nature to the original individualistic and rather rational point of view of dynamic managerial capabilities of Helfat and Peteraf (2015) and thus they did not fit the original framework. The social and emotional aspects are discussed further within dynamic managerial capabilities recognized in each of the processes.

The first group of dynamic managerial capabilities identified from the interviews, consists of individual-centred *cognitive* abilities, such as attention, perception, problem solving and reasoning, which can be perceived as more deliberate and logical ways of thinking and being related to information processing. These capabilities were mostly reflected in the processes

of sensing and seizing as more rational ways of recognizing opportunities and interpreting information to draw conclusions. These individual-centred capabilities were identified using, for instance, formal analyses for knowledge formation and robust, “unbiased” data in the decision-making process.

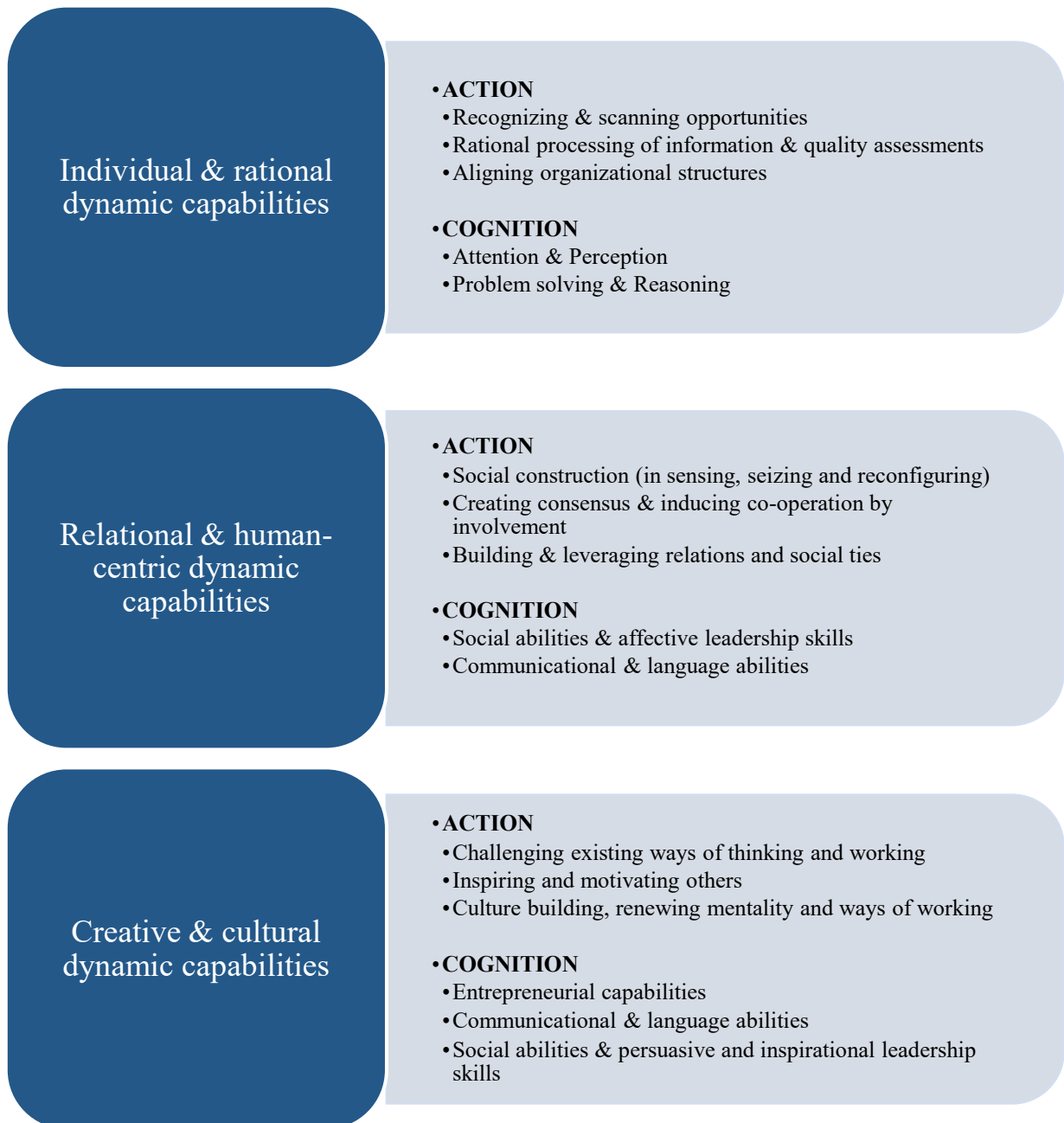


Figure 6. Three categories of dynamic managerial capabilities

The second group of dynamic managerial capabilities identified were of more human-centric and relational nature (Figure 6). These capabilities were reflected through the actions in sensing, seizing and reconfiguring. The activities included social construction within these processes, such as the use of tacit knowledge of partners when forming knowledge in sensing new opportunities along with involving other parties, such as external and internal stakeholders in decision making when seizing opportunities. These actions involved especially the *cognitive* social abilities and different affective leadership skills, such as empathy together with communicational abilities.

The last group identified from the interview data consisted of creative and cultural-oriented dynamic managerial capabilities. These capabilities were reflected in the actions of challenging existing ways of thinking and working inside the organization on top of inspiring and motivating others in behavioural and visionary ways. These actions included culture building activities in the processes of sensing, seizing and reconfiguring which portrayed different change-positive or customer-oriented capabilities. The most prominent *cognitive* abilities in this group were identified as “entrepreneurial capabilities” including critical thinking or an ability to think creatively “outside the box”, and the ability of visionary thinking and foreseeing the end-state of different scenarios and outcomes. These abilities included also communicational and language abilities in motivating or inspiring others, along with persuasive and charismatic leadership skills. The groups of managerial dynamic capabilities are discussed more depth in the following section with each of the processes of sensing, seizing and reconfiguring.

4.2 Sensing opportunities and threats

4.2.1 Individual & rational managerial capabilities

In the process of sensing opportunities and threats the most important tasks of the marketing managers included *environmental scanning* and making different kinds of customer, market and competitor analyses in order to make sense and *gather knowledge* of the business environment, which were identified from the informational tasks of marketing (see Jaworski

2011, 219; Moorman & Day 2016, 26; Morgan et al. 2018, 4). In fact, most of the interviewees mentioned their role consisting of gathering relevant information for decision-making as well as creating an image of the surrounding business environment. The activities in this process of sensing were either intentional in nature seeking information for decision making, or with a purpose to form a picture of the current situation in the marketplace.

However, there were also processes established for constant monitoring of the business environment, thus gathering information without a specific intention or purpose. Either way, all interviewees described that their role in the change process consisted of activities such as recognizing opportunities or threats in the marketplace as well as creating new opportunities for the company in seeking growth. These activities were conducted in more traditional or formal ways with the use of customer and market analyses in addition to other research in order to detect opportunities and threats (see Helfat & Peteraf 2015).

“The first thing is how we gather this digital know-how and understand what this digital business means in our industry and where we can find growth and the type of business that we could create...something new and replace the traditional offline business...so gathering the know-how as well as active learning... So that I actively search for information and try to understand what we really should do...I decided to make a dissertation research about the topic...I wanted to dig deeper and use more time to reflect myself what this new business environment is about...when you sell subscriptions, new possible services and how is it to do marketing and advertising and what are the most critical things for our business in order to succeed.” (Informant F)

The most important cognitive managerial capabilities included *attention* or the capability of recognizing these opportunities along with *perception*, the capability of assessing relevant information, which were in line with the cognitive abilities emphasized by Helfat and Peteraf (2015) in the process of sensing. Attention was observed with the activity of selecting relevant information for decision making and perception was identified in ability of organizing and interpreting this information in purpose of forming a knowledge (see Helfat & Peteraf 2015, 838). For example, informants B, G, I, J and L expressed of going through mostly robust customer data which they collect constantly from their digital channels in order to detect new things from the marketplace.

This also reflects the outside and customer-oriented capability of marketing managers when using external information instead of internal (see Moorman & Day 2016; 26). As a matter of fact, customer-led or market-oriented thinking was identified in all the informants within the activities conducted in the sensing process. All the opportunities and threats recognized were outside-oriented and stemming either from the customer needs or from the market. In fact, the interviewees used mostly customer- and market-oriented data and other information for their research when detecting these opportunities and threats. In addition to the cognitive abilities of *attention* and *perception*, the *communicational* as well as *social* cognitive abilities were recognized as being important among the participants and their actions were concerned with more emotional and human-centric qualities. These qualities used in the sensing process are discussed further in the following categories of dynamic managerial capabilities.

4.2.2 Relational & human-centric managerial capabilities

In the framework of Helfat and Peteraf (2015) the dynamic managerial cognitive abilities of attention and perception are mentioned as the most critical cognitive abilities in the process of sensing. These capabilities are fundamentally more rational in their nature as they represent the capabilities of an individual manager in recognizing and processing relevant information, which is important in seeking opportunities and threats that drive more growth for the company in addition to noticing possibilities to improve the competitiveness of a company.

However, among the marketing managers, *communication* abilities as well as *social* abilities were recognized as being important in the process of sensing opportunities in addition to the capabilities of attention and perception. First, many of the participants used somewhat softer and more socially oriented ways to recognize opportunities apart from only gathering robust data or doing traditional market analyses. In fact, many of the informants (B, C, D, G, I, K) mentioned speaking with different internal or external stakeholders along with attending seminars and other events to be important ways in recognizing opportunities or gathering information for decision making. Thus, the collection of tacit knowledge was also present in the process of sensemaking or predicting in an uncertain business environment.

“...and we have these business associates that are in similar business environments and we use them for consulting. We have also discussed with them in general what we should take into consideration and how we could do things differently and what perception they’ve had of the market.” (Informant I)

“...and then we have attended some industry seminars overseas in London and Berlin and talked with different people there and got more insight from there and how we could utilize these new tools for experimentation” (Informant B)

The sensing process was indeed socially constructed in many cases. Many interviewees, such as B, G, H, I and K mentioned collecting information from customers together with their own employees when seeking information for decision making in the process of recognizing opportunities. This also reflects the marketing managers’ relational tasks of linking external and internal stakeholders and the communicational tasks (see Boyd et al. 2010, 4; Grönroos 2009; Webster 1992). Human-centricity was reflected from their use of more informal ways of communication, such as discussions, as well as more traditional ways, such as conducting market researches, online workshops or making polls to customers and employees.

“[Environmental scanning] was done in many ways. Internally, we have discussed with different people and what is their general feeling of the state of our brand. Also, we have discussed with our clients. Just how they feel about something and we constantly ask if they have been satisfied with us as a company and their purchase choices. We gather constant feedback from our clients. Then we have recognized potential clients from outside that are not yet our customers and discussed with them about it...” (Informant I)

“We like to involve people in the development of our business, our employees as well as our customers. [In the beginning of the process] we piloted a concept and involved customers in discussions that what they think about and what they want. At the same time, we involved our employees internally and asked how they see us and what we should do. We want to do this type of involving improvement. So that people are involved in our activity in different ways.” (Informant G)

These human-centric or “softer” ways of collecting information for opportunity seeking and decision making were present throughout the interviews. This implies that the communicational and social cognitive abilities are also critical in the process of sensing along

with the more individualistic capabilities of attention and perception that Helfat and Peteraf (2015) emphasize. These cognitive abilities are important in building relationships and social ties when collecting tacit knowledge through communication in order to recognize and sense opportunities. The human-centric way of involving others in the seizing process, could be interpreted to go to the group of creative and cultural capabilities. However, it would depend on the context of a company whether it would be a creative way of building a new seizing culture inside the organization.

All in all, this social-oriented view takes into consideration the humane and affective nature of the cognitive abilities. Even if it is the individual person recognizing opportunities or anticipating threats, still the manner of how it is done or the tools utilized to do it can depend on the individual manager. As a matter of fact, people hardly ever function in a vacuum and the processes are not as rational in reality. Also, this is consistent with the thought of bounded rationality and behavioural theories that emphasize the contingency and social contexts affecting us as individuals (see e.g. Joas 1990; MacLean, Harvey & Chia 2012).

4.2.3 Creative & cultural managerial capabilities

In the process of sensing opportunities, also some creative or entrepreneurial dynamic managerial capabilities were identified within the informants which differed from the cognitive abilities recognized in the existing framework of Helfat and Peteraf (2015). These *entrepreneurial* capabilities were characterized with the ability to think critically and creatively when seeking opportunities and threats. Also, here it was noticed that some managers possessed an ability to create completely new opportunities in a creative way and thus detecting opportunities to even shape and transform the existing marketplace, which is similar to Brown and Eisenhardt's (1997) view of "transformative managers" with future-oriented thinking and willingness to experiment.

Entrepreneurialism and the mentality of challenging are indeed in the core of dynamic capabilities, and especially in the process of sensing. As Teece (2007; 2012) has pointed out, dynamic capabilities are also concerned with shaping the marketplace and not only adapting

to it. Furthermore, Teece (2012) mentions the entrepreneurial manager to have a critical role in shaping the ecosystem and transforming the enterprise. By this token, some of the informants mentioned even recognizing an opportunity to shape the existing marketplace by challenging the existing institutions in the market, thus showing the capability of thinking both critically and creatively outside the box. This requires especially entrepreneurial and creative cognitive abilities that can be identified in informant L:

“[Environmental scanning is an ongoing process and it consisted] the clear mapping out from outside our company [to understand] what is happening in the market ...the type of norms of the specific market and then to choose the norms that what we wanted to pursue to challenge and transform the market...through which to differentiate ourselves from the rest.” (Informant L)

This is consistent with the criticism of McLean, MacIntosh and Seidl (2015) regarding the neglected creative nature of dynamic managerial capabilities and the importance of thinking outside the box, as well as creativity in shaping the dynamic capabilities of an organization. This transformative role has not yet been widely recognized in the existing research conducted on strategic marketing. In fact, many of the informants (B, G, H, I, J, K, L) emphasized challenging the old ways of seeking opportunities and expressed using more transformative ways by agile experimentation through AB tests and testing out different concepts in an agile manner in order to examine the business environment and the customers. Thus, these interviewees were using exploration and experimentation as a creative tool of searching new opportunities or anticipating threats.

“[Environmental scanning for opportunities with testing] It's about agility and understanding the speed. So that you don't get frightened but that you're ready to adapt and to act quickly ...implementing quickly and experimenting. I see this to be the future that we should go towards in our business so that the agility and the readiness to change and to quickly notice opportunities.” (Informant J)

In fact, in the process of sensing, it was recognized that most of the informants described their role including the activity of changing the organizational culture towards either more agile and change-oriented, or more customer-oriented direction using critical thinking by questioning the existing ways. For instance, the informants (B, D, F, G, I, K, L) described

their role consisting the activities of challenging the old ways, historical norms and processes formed inside the company or the ways of acting that are typical in their industry.

In addition to critical thinking, the cultural dynamic capabilities recognized from the interviews included *social* and *communicational* cognitive abilities. To be precise, these included especially leadership skills, motivational skills and the ability to challenge others to induce co-operation as well as active learning among the employees, which were mentioned as critical activities among the informants. This was identified with the activities in building a change-oriented culture of *agility* or a customer-oriented culture in creating market insight in the process of sensing. The establishment of a market-oriented culture has been also recognized as a task of marketing managers in existing research in strategic marketing (see Day 2011; Jaworski 2011, 219).

“It’s a lot about the own thinking and the type of urge to find out and the gathering of know-how. To have to courage to let go of the old and to think if we did something in another way, to try a new way and be brave and to have the attitude that we have the courage to experiment...and to motivate others to actively seek information themselves.” (Informant F)

“[The means of building a more customer-oriented culture have consisted off] increasing communication, so that everyone has the courage to talk about their half-ready thoughts and ideas as well inside the company, to motivate people to constant experimentation, self-learning. To understand that we cannot have all the information inside our organization but it can be found outside and through this harness everyone for it...that everyone can and are allowed to bring knowledge outside the organization and that everyone’s initiatives have a meaning and that they could have the ability to also influence the direction in which this company is going to.” (Informant L)

Also, leadership skills were prominent in these cultural capabilities in the process of sensing and creating a culture towards a more proactive and customer-oriented nature in experimenting and seeking opportunities. The motivational capabilities as well as teaching others were identified when the interviewees talked about their roles in building these new cultural ways for the process of sensing. Here again it can be observed that these socially oriented communicational and social abilities are also important in the process of sensing. It is not only about the capabilities of an individual manager to notice opportunities, gather and

organize information in the process of sensing as Helfat and Peteraf (2015) emphasize, but also about creating a culture of sensing inside the company and motivating others to pursue these actions. This is also consistent with the notion of McLean et al. (2015) about the need for dynamic capability research to take into consideration the influence of leadership, relationships, management styles and inspirations in order to have a better understanding of the dynamic managerial capabilities.

4.3 *Seizing opportunities*

4.3.1 Individual & rational managerial capabilities

In the process of seizing opportunities and responding to threats, the most important tasks recognized among the marketing managers were in *decision making*, *strategic planning*, *culture building* along with the *validation of strategy* and ideas, and in *creating trust*. In the framework of Helfat and Peteraf (2015) the most critical tasks are in making investments and business model design. Teece (2007) also emphasizes the selection of product architectures and business models as the most critical microfoundations of the process of seizing. These actions were identified among the informants in addition to making decisions about investments and the components of a business model, such as the revenue model, target markets and the value propositions and missions of a company, which were in accordance with the identified strategic tasks of marketing managers related to decisional activities (e.g. Jaworski 2011, 218; Kerin et al. 1990; Morgan et al. 2018, 4; Slater & Olson 2001). However, a broader range of actions was identified from the interview data such as strategic planning in broader terms and broader decision-making about not only the required investments but the necessary divestments in this process of seizing.

The more individual and rational cognitive managerial abilities of *problem solving* and *reasoning* were also recognized among the informants (seen Helfat & Peteraf 2015). Problem solving was seen important in solving challenges and obstacles that came up in the decision-making process. The problem solving was conducted in different ways such as finding more data to base the decision on or drawing mind maps and trying to create a more comprehensive

view of the context of the decision. For example, the informants K and J described having made mind maps in order to create a bigger picture of the surrounding environment when drawing conclusions about which paths to take. Also, the capability of foreseeing the future scenarios and end goals (see Gazzaniga et al. 2010) was identified among the marketing managers in this process. The capability of reasoning or making conclusions based on robust data was also identified among the interviewees. Moreover, some of the informants mentioned the capability of evaluating information by assessing the quality of data used in decision making (see Gazzaniga et al. 2010, 323) as well as using robust data and financial metrics in the validation decisions in strategic decision making.

“[In decision making] I think we should first think about the effect that we can make to the market...it takes financial metrics to see how the customer behaviour has changed and that we should concentrate to take our service to mobile since there is more potential growth to be detected.” (Informant B)

The problem-solving capability was however also noticed within social contexts when making decisions with groups, which was not mentioned in the existing framework of dynamic managerial capabilities (Helfat & Peteraf 2015). Again, it was observed that throughout the informants a mentality of customer-orientation was always present. All the decisions that they made were mostly done based on information regarding customers or markets and forming possible scenarios that they can base their decisions on. The interviewees always mentioned considering the effects to customers and markets above all, which is consistent with the thought of marketing managers representing marketing with a market-oriented mentality (see Day 1992; 1994). Differing from the framework of Helfat and Peteraf (2015) the most critical capabilities were seen to be the communicational, relational and social abilities in this process of seizing which are discussed more further in the next categories.

4.3.2 Relational & human-centric managerial capabilities

First, in the process of seizing opportunities, it was recognized that the decision making was mostly taking place in a social context and thus making it a socially constructed process in which the importance of relationships was identified. In fact, the most critical tasks

mentioned in the process of seizing opportunities were in creating trust and the organizational “buy-in” as well as the internal selling of ideas from the very beginning of the process of seizing opportunities and strategic planning. In the framework of Helfat and Peteraf (2015) the activity of overcoming resistance to change together with communicational and social cognitive abilities that are associated with the process of reconfiguring. However, throughout the interviews this was seen to be crucial already in decision making and strategic planning when seizing opportunities. When describing their tasks, many of the informants (B, C, E, H, I, J K) emphasized the most important thing having been in creating trust among the top management team, even the board of the company in some cases in addition to the employees.

“[The most critical task was to earn] the trust of the top management. You should really get them to order this type of strategic work. The most important task of a marketing manager is to make them think why we should reform ourselves and you should define a clear vision for them. We went to the highest possible level to discuss about it and thus made sure that the owners are also behind these suggestions of changes...The second thing is to engage the employees before anything is made. It is more important than running to do market research or anything else. What I did, I communicated first for our employees. This way we can get them involved to give their contribution for decision-making. Every decision we make should be true to our employees as well as our customers and reflect their way of thinking about us.” (Informant H)

Also, when presenting ideas and arguments for decision making different cognitive communicational abilities and social skills were utilized. Some of them were more rational, like the use of robust data and metrics, and others more emotional in nature such as the skills of persuasion, storytelling and using benchmarks depending on the target audience. This was common throughout the informants (B, D, E, F, H, I, K).

“Usually the data requires a story on top of it to be a good way of selling the idea. People are used to believing more in big hero stories when you tell your vision and a story to make them see that there is a big commercial potential in this target market and we could make a solution for it in our application...I also collected benchmarks or case-studies from other companies to present how they have succeeded in doing this type of growth-hacking and how they’ve evolved.” (Informant B)

“We had also a bit of disputing around it inside the top management team. Some were suspicious if it would work and the importance of branding. Answer to that struggle was to justify my arguments with

powerful stories and examples of non-commercial brands such as the catholic church, the Pope and Michel Angelos as well as the twists of the 30s Germany, a brand and propaganda that made the whole nation to march in the same direction. Well that stopped all the disputes about the topic and gave another perspective. That is what branding and marketing is also about...It is about persuasion and influencing people with compelling stories.” (Informant E)

Especially the skill of identifying the target audience was perceived to be important when justifying the decisions and arguments in the process of decision making. This is something that has not been recognized with the cognitive social abilities of Helfat and Peteraf (2015). This could also imply the nature of the unique capabilities of this specific group of top executives since marketing can often be associated with different relational and communicative capabilities (see Day 2011; Grönroos 2009). Either way, the framework of Helfat and Peteraf (2015) is lacking the viewpoint that the process of seizing opportunities and making decisions about the investments or components of a business model are in fact not made by one person only in the organization, but instead it is a social process. In this process, the relational, social and communicational cognitive abilities are needed. These capabilities might play a bigger role than just the individually oriented abilities of reasoning and making conclusions.

Indeed, this aspect of social construction and human centricity was identified in many interviews as a way of making decisions also by involving employees, customers, business associates and partners in the strategic decision-making process when seizing opportunities. For example, the informants G and H explain having involved their employees in the process of strategic decision-making when considering the realignment of the company vision, mission, and their customer value proposals as a part of business model creation:

“We had different groups to problematize our strategic alignments and to detect the changes in our business environment and then we involved our employees with an online workshop, and we got 2 277 ideas from our retail network and we utilized them...We painted the picture of our strategy and purpose together with our employees. I believe that at the end of the day people are in the heart of these things.” (Informant G)

“[When renewing our mission and vision and customer value proposition] the first thing was that we sent a message throughout the organization asking what they are proud of our company and what they think that our purpose is to do, how they define it. We also asked this from our customers. When we had started to form and idea of it, we sent proposals of few possible options for our employees to see what they think would be the most descriptive. This way we got the perception of what our employees feel is the most real to them and not just making the most important decisions in the ivory tower of the top management team and coming up with something that nobody would stand behind.” (Informant H)

The aforementioned communicational and social abilities and the involvement of vast number of people in decision making is something that has been also pointed out in the strategic management literature where the trend is seen to be inclining more and more to these flat organizations where everyone can have influence (see e.g. Paroutis & Pettigrew 2007). This could be an important aspect to take into consideration also in the research of the dynamic managerial capabilities. Additionally, the cognitive managerial communicational and social abilities were seen to relate to the cognitive ability of problem solving as some of the informants (especially G and C) described their most important role in creating consensus together with inducing co-operation among the process of decision making. Human centrality was also recognized with respondents (especially C, D, F, G and K), describing their roles in being the “human leaders” and representing a more humane and emotional view in the decision-making process of the top management team.

4.3.3 Creative & cultural managerial capabilities

In the process of seizing and shaping opportunities, also creative and cultural capabilities were identified among the interviewees. These capabilities could be seen to include the capability of critical thinking and thinking “outside the box” and thus challenging the existing normative viewpoints and ways of operating in an entrepreneurial or visionary manner that were identified from the empirical data of this research. This kind of creative and entrepreneurial thinking was also recognized in the process of finding opportunities and challenging the existing ways of working by inducing co-operation and detecting opportunities from new possible ways of working and finding new capabilities that have the potential to drive growth.

“My role is about bringing people together so that I strive to see what different functions could do together. We have worked before a lot in silos with our own business ideas and strategies that every function has and my mission has been to find synergies in what different functions have. What kind of synergies could be found so that we would be stronger in the market and so that we could offer better and bigger entities together for our clients and consumers...My job is to drive growth and thus it is about constant change, to create something new...stronger growth in the existing or transforming more thoroughly and finding new business models and new type of business and to connect it with our existing business...It is very addictive...you don't want to do the same old, instead seeing opportunities and going after them and choosing the required actions.” (Informant F)

This creative challenging of existing ways of performing was seen especially in decision-making process where many of the informants described their role in being the one who challenges different viewpoints and propositions by challenging others to think in a more market-led or customer-oriented way. They especially emphasized challenging others to see the customers' point of view in addition to commercial aspects of the possible scenarios of different decisions thus acting as voice of the customer or market. This was also consistent with the task of acting as the voice of the customer mentioned in the marketing literature by bringing the voice of the customer or market into decision making that was identified with the decisional tasks of marketing managers (see Boyd et al. 2010, 2; Day 1992; Jaworski 2011; 218). This role was mentioned in most of the interviews (Informants B, D, E, F, G, H, I, J, K).

“I try to keep up the perspective of the vision of making international growth and to remind others about it when they propose ideas that let's make this renewal...to challenge their thinking about what it brings to our desire of growth and does it help us to achieve vast and profitable growth within a reasonable timeframe...so that we don't just drift in doing random things that don't bring us growth. I give estimations on how it would affect our clients and the customer value and the aspect that we need to take the users and their needs into consideration first and foremost when making decisions.” (Informant B)

In fact, almost all the informants described their role consisting of this type of cultural aspects when seizing opportunities. Shaping the processes connected with seizing opportunities to be more creative: acting in a more agile and dynamic manner together with being more

outside-oriented by acting out as customer advocates or as “the guardians of the brand”. In fact, almost all the informants pointed out this when discussing about their role in the seizing process. Throughout the interviews it was mentioned that their role included teaching others the “marketing and customer-oriented way of thinking” and informants B, D, I, J and K even mentioned their role to be the one who challenges others inside their company to think in a more customer-led and market-oriented way when making decisions as well as the use of more outside-oriented data in decision making.

Also, the type (more outside and customer oriented) and quality of the information and data were few things that especially informants B, D, F and J mentioned when discussing about their role in decision making. This cultural and creative aspect were also recognized in interviews B, J and H, where the interviewees explained having shaped the product development culture so that marketing along with the outside needs of the market define the product designing process. This was explained to happen so that the product design process starts with the need after which the product is designed differing from the traditional way where product is designed first and then it is marketed for the target audience. This activity includes the capabilities of exploration and experimentation as well (see Teece 2007, 1327).

“We started utilizing more data and making these different AB tests...I have developed a process for it...testing customer responses for new product features or marketing responses in seeking the potential target market and their needs...All of our development actions go through AB tests now and if we plan to make a new version of our app we test it within the market first before having the actual product itself...thus seeking the customer needs first and after that designing the product or service.”
(Informant B)

The aforementioned is in accordance with the view of Kinström et al. (2014, 1068) who mention a customer-oriented service innovation culture to be a valuable dynamic capability for a company. Moreover, the cognitive abilities of creative and critical thinking and influencing others is also connected to the cognitive ability of reasoning from the framework of Helfat and Peteraf (2015) since reasoning can be seen to include the assessment of the quality of decisions (Gazzaniga et al. 2010, 342). This creative thinking is also something that McLean et al. (2015) emphasize as being important when discussing about the dynamic

managerial capabilities. However, this finding brings out more about the cultural aspects of capabilities into the seizing process that have not been emphasized much, apart from only as a side mention (see Teece 2007, 1334) in the existing research of dynamic capabilities and especially the dynamic managerial capabilities.

4.4 Reconfiguring and asset orchestration

4.4.1 Individual & rational managerial capabilities

The process of reconfiguring is about realizing or implementing the strategic change by orchestrating the assets of the company. In this process, the tasks of selection, configuration, alignment and modification of assets (Teece 2007) as well as the dynamic managerial capabilities in overcoming the resistance to change and of creating synergies inside the organization (Helfat & Peteraf 2015) have been pointed out as the most important managerial tasks in previous literature on dynamic capabilities. In the interview data, *culture building*, *overcoming the resistance to change* in addition to the tasks around general implementation especially in *communicating goals* and the *creation of partnerships* were most essential tasks among the managers interviewed. The task of overcoming the resistance to change along with general implementation tasks were consistent with the framework of Helfat and Peteraf (2015).

There were also other critical tasks identified, such as asset reconfiguration, which was conducted by forming different processes and structures (Helfat et al. 2007; Teece 2007; 1336) and by recruiting the required talent or enhancing the existing know-how and competencies. The asset reconfiguration can be seen to require more of the individual and rational cognitive abilities of managers since the creation of processes and structures might involve more rational reasoning and decision making of individuals. These were considered as some of the important tasks in the process of reconfiguring among the interviewees.

“We established a market insight team to have a deeper understanding of our customers that was lacking before...it [customer insight] has been based more on the ‘beliefs’ or the gut feeling of our sales and they often has based it on a viewpoint of one customer...so that it wouldn’t become a

general truth we have to understand if it is one opinion or a general understanding in the marketplace. We started to make constant research about our competitors, clients and customer needs...how we position in their eyes and what it means for our business...to see that in order to succeed we need to do this and have these products...it's a new way of doing things in this industry.”
(Informant J)

These activities can also be connected to the role of a marketing manager in establishing a more customer and market-oriented culture inside the company (Jaworski 2011, 216) as well as the operative task of linking different functions with marketing and fostering co-operation within functions with the use and distribution of market-oriented information (Jaworski 2011, 219; Day 2011; Homburg et al. 1999). Indeed, the most important role was seen in culture building of a company and related to different human-centric leadership capabilities when shaping the organization and overcoming the resistance to change. In this role, the communicational and social cognitive abilities were emphasized (see Helfat and Peteraf 2015, 842). However, the task of culture building as a way of changing a company's cognitive mentality has not been prioritized in the existing research on this subject, even though it was perceived as one of the most important tasks among the informants in this study. This will be discussed further in the category of creative and cultural managerial capabilities.

4.4.2 Relational & human-centric managerial capabilities

Overcoming the resistance to change was definitely the most important dynamic managerial capability of these marketing managers in the process of reconfiguring. These relational and human-centric dynamic managerial capabilities included especially different cognitive social abilities as well as leadership skills in the process of reconfiguring among the marketing managers, which was consistent with the existing framework (Helfat & Peteraf 2015). Many of them, especially informants D, E, G, J and L, even described one of their most important roles and strengths in being “human leaders”, which was also the case in the process of seizing. In the process of reconfiguring, most of the informants mentioned the capability of empathizing as their most important capability in the realizing the strategic change.

“[My most important capability] is empathy, towards our company and employees as well as our clients...to be able to understand the perspective of others and modifying my own communication in accordance...stakeholders and investors are interested in certain things and the different functions inside our organization...depending on how they view our environment in their own perspectives. The capability of stepping into another person’s shoes.” (Informant L)

“[The transformation] requires a change in the leadership style. To empower as well as to give more responsibility. Change creates a sort of panic about the uncertainty of things and fear towards the unknown and the changes made. People react in different ways to changes and for some it’s frightening. My own approach is to address these fears individually and not to downplay them. It is about facing the challenges with human-centricity, to steer by conversing and caring and being interested.” (Informant D)

The capability of setting yourself in the position of another person and being close or present was mentioned to be crucial when going through the changes. This was specifically important in overcoming the resistance to change, which was recognized as the most critical challenge in the examples of these informants. Also, Helfat and Peteraf (2015) see overcoming resistance to change as a crucial dynamic managerial capability in the process of reconfiguring. However, the social cognitive ability of empathy did not play a large role in their framework, but instead was only briefly mentioned as the social ability to understand the point of view of others (Helfat and Peteraf 2015, 844).

Other relational capabilities were also evident in the process of reconfiguring. Many of the participants had a critical role in searching for suitable partners, such as digital partners, marketing agencies, and market research partners. These activities included establishing new partnerships as well as enhancing the existing ones, which can also be perceived as a traditional tasks and capabilities of marketing in the existing marketing research (Boyd et. al 2010, 3; Grönroos 2009; Homburg et al. 2014, 628; Webster 1999), but which have not yet been brought in this sense to the context of dynamic managerial capabilities. In fact, many of the informants (A, C, D, F, G, H, I) mentioned their tasks to include the forming of alliances on top of communicating with partners and other internal and external stakeholders such as PR and advertising agencies in the process of change. Here are few examples of what this role has entailed:

“My role included acquiring external partnerships since the building and upkeep of that type of infra is so vast that we cannot take care of it by ourselves, we need partners for the data and analytics among other things...the negotiations were my responsibility.” (Informant D)

“[Critical task] was to decide whether we can do all of it by ourselves or not, hardly anyone can and it’s not cost-efficient to do without external help. We used a company for the customer research who supported us in the thought process as well...and later a creative agency to help us formulate it all...” (Informant H)

“My most important task was to keep up with our partner since they had a lot of responsibility in this change project...we needed a lot of different stakeholders internally as well as externally...it required briefing, a lot of communication and planning internally as well with the partner...to set the targets, guidelines and time frames.” (Informant C)

The cognitive relational and communicational abilities also came up in the role of communicating the strategy to internal and external stakeholders in the implementation of strategy as well as in the tackling of possible resistance to change. This has indeed been recognized as an important strategic role also in the existing research literature explicating the role of marketing management inside their organizations (Anderson 1982; Whitley & Morgan 2017, 5; Wirtz et al. 2014).

4.4.3 Creative & cultural managerial capabilities

In addition to these relational dynamic managerial capabilities, the creative and cultural capabilities were also identified as crucial throughout the interviews as means of creating a new change-oriented culture of proactive renewing as well as a more outside-oriented culture inside the company. These actions also required cognitive *communicational* and *social* abilities, especially leadership skills and the abilities of motivating and inspiring others (see Helfat and Peteraf 2015, 844). Indeed, most of the informants (B, C, D, E, F, G, H, J, K, L) mentioned their strength and most important role as being a motivator, who inspires, creates positive mentality and motivates others when obstacles arise.

“I have that kind of an entrepreneurial spirit and energy in my personality that has helped in fostering this change. I’m kind of a pioneer and I’m able to create that kind of mentality and belief and to get people on board. It’s about motivating and inspiring others...that’s my strength. And being a visionary...I can see clearly the direction where we should go, and I can communicate it well and be flexible when things don’t go the way expected...to give people space and time to adapt.” (Informant J)

“I get easily inspired about things and I try to rub off that to others as well. It is about the courage of letting go of the old and to think what we could do in a different way, to have the attitude that we have the courage to experiment...the pain of letting go is related to this. It is easy for employees to do the things that they know and are used to doing and it requires effort and time to learn something completely new and, in that scenario, we would just end up doing things in the old way.” (Informant F)

This role was seen important in the top management team together with the role of a motivational leader when working with employees. This also implies the capability of resilience, which has not been mentioned in the existing research conducted on dynamic managerial capabilities. However, the capability of motivating is mentioned briefly by Helfat and Peteraf (2015) when discussing about the language and social cognitive managerial abilities both in reconfiguring and in the process of aligning the organizational structures and functions around a new strategic plan. However, they still do not emphasize the creative and cultural perspective when discussing the ability to motivate others. It was identified from the interview data that the inspirational behaviour was stemming from the capabilities to think creatively and an ability to inspire or challenge others to think and act more creatively, in a different way, as means of building a change-oriented culture inside the organization. The creative perspective is consistent, however, with the remark of McLean et al. (2015) regarding the importance of emphasizing the perspective of creative action in the research on dynamic capabilities, especially on dynamic managerial capabilities. Nonetheless, they do not emphasize the perspective of culture building being interconnected within this creative behaviour, which was observed in the ways in which the managers used skills to challenge others to act in a certain way.

In fact, the aspect of aligning the organization with the new strategy has been considered more as something rational and normative in this existing literature on dynamic capabilities

(e.g. Eisenhardt & Martin 2000; Teece 2007; Helfat & Peteraf 2015) instead of seeing the action of proactive culture building that was identified within the interviewees. Here it was not only about aligning the organizational procedures and structures to these specific strategic changes and realignments, but more about proactive, creative and visionary action in changing the company's culture to be more change-oriented, agile or outside-in-oriented. In fact, many of the informants, namely B, D, H, J, and K, mentioned having a vision of a more customer and outside-oriented culture and mentioned acting as either change or customer advocates inside the company, as well as infusing a new culture.

"When I started here, I was petrified because from my previous background I've seen that marketing is in the driver's seat and everything else follows. I noticed that we didn't know enough about our clients and markets...to make people think and raise questions of how we can make our customers' lives more easier...to understand that there's no point of creating new services or products if you don't understand the need, we cannot only think inside in our chambers but to go to the customer interface and collect the information in a systematic way...It requires modifying the mindset and that you build the right capabilities. [Marketing thought] is about agility and a capability of doing fast implementation and experimentation." (Informant J)

"I see that my most important role is in being the guardian of our brand. Not only do it me but to teach internally the whole organization...marketing thinking for everyone. To see that every encounter counts and the everyone is a marketer in our company. You need to do consistent work towards it...to teach people what marketing is and what it means and how we can accomplish more profitable growth with it, to challenge people to see the big picture. It needs a person who knows how to consciously drive it and modify the organizational culture to the direction that changes it." (Informant K)

Indeed, many respondents mentioned having been the one to change the thinking and mentality of others by challenging and inspiring others as well as modifying or reconfiguring the company structures and procedures to induce co-operation. This was done, for instance, by modifying the company structures or procedures related to sharing know-how and market or customer insight, as well as other knowledge throughout the company. As mentioned above, this cultural role of managers including the critical and cultural capabilities required in building the company culture has not been emphasized in the existing research on dynamic capabilities or dynamic managerial capabilities. Instead, Gioia and Chittipeddi (1991, 1) have explained strategic change being an attempt to change the current cognitive modes of

individuals, which is important when leveraging significant opportunities to help cope in the dynamic market environment.

While the existing research on dynamic capabilities has still neglected the cultural role, however, the existing marketing literature has recognized a cultural role of marketing and, as mentioned before, it is usually referred to as market-orientation or customer-orientation (e.g. Day & Moorman 2010). This is in line with the views of many marketing researchers that marketing represents the voice of a customer in the C-suite and in the company as something that creates a customer-oriented way of working in the organization. Jaworski (2011) also describes one of the tasks of the marketing manager to be establishing a marketing-oriented culture in the company. However, these views do not take into consideration the other cultural roles, such as agility and change-orientation. Furthermore, the existing research on marketing has not yet connected these roles with the dynamic capabilities or dynamic managerial capabilities.

4.5 Summary of the results and conclusions

The findings of this study were identified by using the framework of the three processes that reflect dynamic capabilities: sensing, seizing and reconfiguring (Teece 2007), along with the framework of the microfoundations (actions and cognition) of dynamic managerial capabilities connecting to these three processes (Helfat & Peteraf 2015). There were three categories identified in this study, two of which have been neglected in the previous research, especially on dynamic managerial capabilities. These two additional categories were human-centric and relational dynamic managerial capabilities together with creative and cultural dynamic managerial capabilities, which consist of different cognitive managerial abilities such as relational, communicational abilities, and leadership skills. Thus, the microfoundations of these dynamic managerial capabilities were identified and they are presented in Table 8.

In the group of creative and cultural capabilities, few additional capabilities were recognized as “entrepreneurial cognitive abilities” based on the research data. This included the ability

to think creatively and critically on top of the ability to challenge others to think in a different way. The cognitive social ability of empathy was recognized as an important capability that has not been credited much in the existing research. A third category of individual and rational managerial capabilities was formed with the observation that the original foundations of these managerial capabilities can be considered to be originating from a more individual-centred psychological view point where individual is seen as someone who notices the opportunities and threats by making analyses and forms a perception by utilizing this information. In this view, managers can be perceived to be more rational information processors that act from the basis of logical thinking and reasoning in decision making (see Kahneman & Egan 2011).

The most important capabilities among marketing managers interviewed, were related to all the three groups, however, the most essential ones seemed to be around the relational, human-centric as well as creative and cultural capabilities in all these processes. Specifically, the social and communicational abilities along with the creative “entrepreneurial” abilities were the most important cognitive abilities within informants. Nonetheless, due to the qualitative nature of the study we cannot make solid clear conclusions for which managerial capabilities are the most important ones (see Brinkmann & Svale 2018, 109). However, especially customer-centricity was emphasized throughout all processes and different groups of capabilities. Even if the capabilities in question were fundamentally rational, such as collecting robust data for decision making, they were still always customer centric in nature because the information was outside-oriented. This supports the customer-led or market-centric role of marketing management and marketing in an organization (see e.g. Day 1992; Day & Moorman 2010).

In fact, these marketing managers possessed capabilities in building a more agile, change-oriented as well as customer-oriented culture around all these processes by inducing co-operation and different ways of working not to mention modifying the mentality and the way of thinking inside the organization. Furthermore, regardless of the category of dynamic capabilities, it was observed that within all of these actions and cognitive abilities a customer-oriented mentality was identified in the ways of acting and thinking within these processes

of sensing, seizing and reconfiguring. This could suggest that the capabilities of these marketing managers are more customer- or outside-in-oriented in their nature (see Lehmusvaara 2017).

The aforementioned observations suggest, that these previous models are rather individual-oriented, and they do not take the social context of these processes into consideration, especially the research on dynamic managerial capabilities. This finding is consistent with the growing literature on the behavioural theory of the firm in strategic management moving away from the rationally oriented basic theory of economics (see Gavetti 2012). The behavioural theory takes into consideration the irrationality of human action let alone the social nature of action (e.g. Joas 1990). Within each of the processes of sensing, seizing and reconfiguring, the importance of their social characteristics in addition to the social and communicational cognitive abilities were seen especially important in all these phases reflecting strategic change.

In the existing framework of dynamic managerial capabilities, the social and communicational cognitive abilities were pinpointed to be most important in the process of reconfiguring and the implementation of change (Helfat & Peteraf 2015). These cognitive abilities were, however, also considered as key aspects in the processes of sensing opportunities in the activity of forming knowledge. This is due to the fact that this dynamic managerial capability of sensing was also realized through social situations, for instance, by collecting tacit knowledge from external and internal stakeholders through discussions or involving others to have a more diverse perspective on different matters. This was also essential in terms of seizing opportunities as the decision-making process and the process of strategic planning could be perceived as socially constructed processes including different people in collective decision making. In these processes, the activities of involving others, cognitive communicational abilities of persuading or motivating were highlighted together with other cognitive leadership skills that could be perceived to be more emotional or affective in their nature.

Table 8. Microfoundations of dynamic managerial capabilities of marketing

<i>Dynamic managerial capabilities</i>	SENSING		SEIZING		RECONFIGURING	
	Action	Cognition	Action	Cognition	Action	Cognition
RATIONAL INDIVIDUAL	Constant measuring & monitoring Use of formal analyses and robust data	Attention & perception <ul style="list-style-type: none"> Detecting and processing information 	Decision making based on robust data and logical reasoning Assessing quality of decisions	Problem solving Reasoning	Modifying company structures and procedures Effective implementation Monitoring & check-ups	Attention Problem solving Reasoning
AFFECTIVE RELATIONAL	Using social ways in forming knowledge and recognizing opportunities Involving stakeholders in the seizing process	Relational <ul style="list-style-type: none"> Affective leadership skills Communicational	Validating strategy Creating trust and inducing co-operation Social involving others in decision-making Internal selling of ideas	Relational <ul style="list-style-type: none"> Inducing co-operation & creating consensus Empathy Building trust and social ties Communicational <ul style="list-style-type: none"> Persuasion & storytelling 	Affective change leadership Implementation and the communication of strategies Building and fostering relationships External & internal	Relational <ul style="list-style-type: none"> Inducing co-operation & creating consensus Empathy Creating trust and social ties Communicational
CREATIVE CULTURAL	New and creative ways of forming knowledge Experimentation & exploration Building new culture in sensing opportunities	Entrepreneurial & creative capabilities <ul style="list-style-type: none"> Creative and critical way of thinking Active learning Communicational <ul style="list-style-type: none"> Teaching others 	Motivating & inspiring others Challenging existing ways of doing & thinking Transformative action	Entrepreneurial & creative <ul style="list-style-type: none"> Creative and critical way of thinking Visionary thinking Challenging Communicational <ul style="list-style-type: none"> Motivating & inspiring 	Proactive culture building Overcoming the resistance to change Motivating & inspiring others Challenging existing ways of thinking and working	Entrepreneurial & creative <ul style="list-style-type: none"> Creative and critical way of thinking Relational <ul style="list-style-type: none"> Charismatic leadership skills Communicational <ul style="list-style-type: none"> Motivating & inspiring

The creative and cultural dynamic capabilities were also recognized as an addition to the existing research throughout the processes of sensing, seizing and reconfiguring in strategic change. These specific dynamic managerial capabilities have been mostly neglected, especially in the research on dynamic managerial capabilities. The creative perspective observed was consistent with the criticism of MacLean et al. (2015), who stated that the research of dynamic capabilities is lacking the perspectives of creative action and behavioural theory. The existing research considers the organizational alignment to be only in important the process of reconfiguring. However, from the findings of this study, the organizational alignment is seen as a more proactive way of functioning and observed to be a type of creative action. Furthermore, the creative entrepreneurial capabilities were identified throughout the processes of sensing, seizing and reconfiguring as the capabilities of challenging the existing ways of working and thinking as well as capabilities of thinking creatively and critically and motivating and inspiring others to do so as well. These were considered to be essential capabilities in every steps of the processes. Therefore, the cultural and creative dynamic managerial capabilities can be perceived as crucial for marketing management given the entrepreneurial nature of dynamic capabilities as an important source for a company's competitive advantage.

5 CONCLUSIONS AND DISCUSSION

5.1 Affective and creative dynamic managerial capabilities of marketing

The purpose of this study was to identify, categorize and interpret dynamic managerial capabilities of marketing managers and their roles in strategic change. This purpose was supported by two research questions. The first of these questions resulted in recognizing the most important tasks including different activities and cognitive abilities that were identified through the processes of *sensing*, *seizing* and *reconfiguring*, which help to reflect the dynamic managerial capabilities in strategic change. The second research question was formed to draw preliminary conclusions of the dynamic managerial capabilities of marketing management in strategic change. The research focused on the top management level because of the strategic nature of the research.

The theoretical background of the research explored the multidimensional definition of marketing along with the strategic tasks of marketing in order to give a deeper insight to the background of the microfoundations of dynamic managerial capabilities besides highlighting the typical tasks of marketing managers. Moreover, the framework of the microfoundations related to the tasks including various activities and cognitive abilities forming these dynamic managerial capabilities (Helfat & Peteraf 2015), was complemented and combined with other activities identified from the existing research on dynamic capabilities (Teece 2007) and those of strategic marketing.

The study was conducted as 12 qualitative interviews, and both coding and content analysis was used in the analysing process of the research. First, 17 tasks and sub activities were identified along with the existing four groups of cognitive abilities. An additional group of entrepreneurial and creative cognitive abilities was identified with the microfoundations that included especially the capabilities of critical and creative thinking, which have not been discussed in the existing frameworks. The activities and cognitive abilities were recognized to form three groups of dynamic managerial capabilities that consisted of 1) Individual-

centred and rational managerial capabilities, 2) Relational and human-centred managerial capabilities, and 3) Creative and cultural managerial capabilities.

Some interesting characteristics of dynamic managerial capabilities of marketing were observed as a result of this study. First, it was observed that the most essential dynamic managerial capabilities recognized in each of the processes consisted of relational, communicational, creative and culturally oriented cognitive abilities. These abilities were reflected with the activities that the managers mentioned to be the most important in each of the processes, such as the formation of market knowledge, creation of trust, challenging old ways of performing activities or challenging the inside-oriented ways of thinking, not to mention involving external and internal stakeholders to these processes in the event of change. This could imply that the relational, creative and cultural capabilities are the key dynamic managerial capabilities of marketing, in addition to the customer-centricity that was identified throughout the processes and activities (see Day 2011). Another interesting observation from the findings was that the existing research on dynamic capabilities and especially on the microfoundations of dynamic managerial capabilities have been rather rational and individual oriented in nature. This results in ignoring the creative and affective behaviour of humans and recognition of more affective and creative dynamic managerial capabilities, such as empathy and more intuitive ways of sensing and seizing opportunities (see Hodgkinson & Healey 2011; McLean et al. 2015).

Based on the findings and conclusions of this study, some tentative managerial roles can be recognized among marketing managers in the planning activities, which consist of the processes of sensing and seizing opportunities as well as in the process of realizing the change through reconfiguration (see Figure 7). These roles can be divided depending on their aforementioned rational, affective and creative characteristics. In the planning process, some rationally oriented roles could be formed based on the capabilities of using “harder” information in sensing and seizing opportunities as an *analytic measurer* or as a *rational decision maker* who backs up arguments and decisions with financial data and metrics.

On the other hand, more emotionally and creatively oriented roles can be identified in the processes of discovering and seizing opportunities, such as the role of a *visionary entrepreneur* who constantly seeks and detects new ways of operating and growing as well as possibilities to even transform the whole marketplace and the organizational culture by motivating and challenging others. These managerial traits can be associated with the entrepreneurial or creative capabilities identified in this research. Furthermore, the role of an *influencer* could be recognized with strong social and communicational abilities that are reflected when motivating and inspiring others or when selling ideas in decision making.

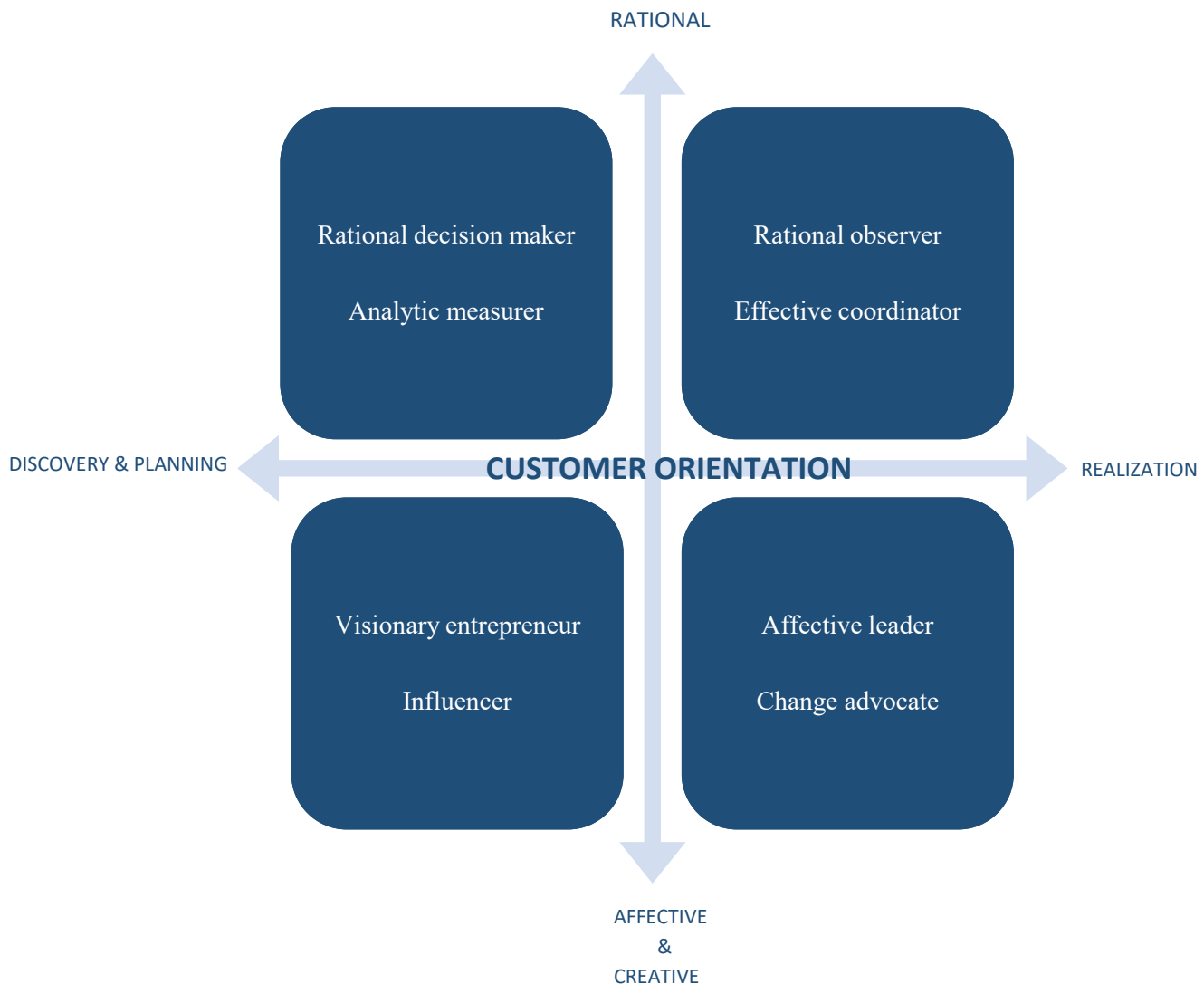


Figure 7. Rational, affective and creative managerial roles

The rationally centred roles in the realization of change or the implementation of strategies could be such of a *rational observer* who makes constant check-ups with financial KPI metrics based on the targets as a motivational method towards the change. Another role could be formed around the capabilities of effective coordination and communication of these strategies when aligning the organization and overcoming the resistance to change. On the other hand, most of the roles in affective and human-centric leadership were identified with strong cognitive abilities in building social ties, empathizing as well as in communication methods in overcoming the resistance to change. Furthermore, the more creatively and culturally oriented dynamic managerial capabilities could implicate the role of a *change advocate* or *customer advocate* who proactively builds a new, more agile, change positive and customer-oriented culture by inspiring, motivating and challenging others in the organization along with challenging the old processes, structures and other existing ways of working. All in all, whatever the roles may be, they can all be characterized with customer-orientation that was identified as the core mentality of every action throughout the dynamic managerial capabilities.

These remarks are similar with the research stream in strategic marketing taking the mental orientation of executives into consideration when explaining the customer or market-orientation and thus the possible competitiveness of a company (see e.g. Yrjölä, Kuusela, Neilimo & Saarijärvi 2018). Therefore, it could be even suggested that the socially, creatively and culturally oriented affective dynamic capabilities of marketing managers could bring creativity in their unique set of capabilities besides their outside-oriented mentality that is essential for today's enterprises in order to react to different market changes. In fact, the creative and cultural capabilities that were identified as the most important dynamic managerial capabilities, could foster the formation of a dynamic organization with an agile, customer-oriented culture, and as a result, enhance the dynamic capabilities of a company and its long-term competitiveness.

5.2 Theoretical contribution and managerial implications of the research

A research can have contribution in three areas, theory, method or context (Brinberg & McGrath 1985). This research has somewhat contributed all the areas of theoretical, methodological as well as contextual knowledge. First of all, this research has *theoretical contribution* especially for the research of dynamic managerial capabilities let alone the research of dynamic capabilities which have previously lacked empirical, behavioural, creative and affective perspectives that were observed to be important in the findings of this research. This research has also contribution to strategic marketing because the research in the strategic role of marketing has been shallow and mainly quantitative.

At micro-level, there was no existing research on the roles of marketing managers in transformation of a company. Therefore, these findings presenting the possible dynamic managerial capabilities of marketing managers give a deeper understanding of their roles. Furthermore, this is the first study that attempts to extend the concept of dynamic managerial capabilities into the field of marketing. Also, this research takes into consideration the whole process of strategy formation, in which field there has been a lack of studies or they have mainly been conceptual papers which are considered inefficient in studying this complex strategic phenomenon (Morgan et al. 2018). This research combines the theory of strategic marketing with the theory of dynamic managerial capabilities from the existing research on strategic management, thus combining these separate research streams together. Moreover, this research has contribution to the theory of dynamic capabilities as the studies lack theory from the managerial point of view (see Adner & Helfat 2003; Helfat and Peteraf 2015), and the dynamic capabilities of marketing.

As a *contextual contribution*, this research takes the role of marketing managers to the context of strategic change which has not been widely studied in the past (Jaworski 2011). There was also a need for empirical studies of dynamic managerial capabilities especially in the context of strategic change (see Helfat and Peteraf 2015). Methodological contribution, in turn, can be made by creating a new method or by refining existing methods (Ladik & Stewart 2008, 162). As a *methodological contribution*, this study utilizes Critical Incident Technique as a

supportive method in order to identify important tasks and capabilities of managers in the chains of events in strategic change. CIT-method has traditionally focused in the extreme ends of positive and negative factors (Flanagan 1985). Instead, this research exploits this technique in searching mainly the positive factors that are fostering the change processes. Another contribution is the use of the CIT-method in the field of strategic marketing, as it has previously been used mostly in the studies of service experiences in the marketing research.

Finally, this research has *managerial implications*, hence some value for the practitioners as well. When considering the competitiveness of companies and the success of their strategic transformations, this study offers insight into the possible potential dynamic capabilities of marketing managers, which could help organizations to notice what kind of capabilities are required in strategic changes. Also, fast turnover of marketing managers in executive teams of companies is a growing challenge. One main reason for this has been the challenges of defining the roles of these marketing managers. In fact, the increased turnover of marketing managers can have a negative effect on the stability, capabilities as well as the morale and long-term orientation of the marketing organization (Nath & Mahajan 2017). This research could give suggestions on how the roles of these managers can be defined and should they be defined in a certain way in order to improve the stability of this position. Furthermore, this research has the potential to make propositions of the valuable capabilities of marketing managers that can help the companies to maintain or improve their competitiveness and the success of their strategic changes. For customers there is a potential contribution of having their voice present in the strategic decision making of the C-suite of a company. For a societal contribution, this research has the potential also to help to lower the unemployment rates by recognizing the dynamic capabilities of managers.

5.3 The trustworthiness of the research

The trustworthiness of a qualitatively conducted research can be problematical due to its subjective nature, which brings forth the concepts of validity and reliability. The trustworthiness of the research should be evaluated taking the philosophical approach into

account. This research was conducted from the approach of critical realism, which states that there is a unified truth and research can bring us towards to that unified truth (Järvensivu & Törnroos 2010, 2). Therefore, the attempt of this qualitative research is not to create widely generalizable results, but to give a more in-depth understanding of the topic. Nonetheless, the trustworthiness of this research and its findings can be assessed with the *credibility* of the results as well as the *consistency* of the research (see Lincoln & Guba 2000).

First of all, the credibility of the findings of this study was enhanced with systematic implementation and with transparent description of the research process. This was done with theoretical sampling and meta-analysis (Eisenhardt et al. 2016) in addition to the systematic categorization and codification in the analysis process. The data collection and analysis process have been described in detail and the transparency of the interpretation and conclusions are enhanced with extracts of the interviews when presenting the findings. Second of all, as the processes of sensing, seizing and reconfiguring as well as the different categories of capabilities could be overlapping in some situations, an attempt was made to enhance the consistency of interpretation by supporting the analysis with codification and the use of co-occurrence analysis.

5.4 Limitations and recommendations for future research

The limitations of this research originate mainly from the qualitative nature of the study, since all the interpretations are done by the researcher and thus the objectivity of the results cannot be fully reached (see Brinkmann & Kvale 2018, 142). Another limitation is related to the social aspect in the collection of research material since an interview is a social process and the interviewer could influence the answers as some managers could be willing to give a more positive image of themselves and their roles in contrast to the reality. However, this was taken into consideration by guarantying full anonymity to the participants and the companies they work for.

Secondly, another limitation of this study is the heterogenic nature of dynamic managerial capabilities and the cognitive abilities of individuals (see Helfat & Peteraf 2015). As Jaworski

(2011) has pointed out, the tasks of marketing managers vary a lot depending on different contextual and personal factors, for instance some managers might be given a specific role in certain tasks or roles based on their past experience or educational background, which was not taken into account in this study. Moreover, the strategic changes were explained from the specific manager's personal point of view and based on their own perception and memory. Therefore, other members of the TMT could have a different perception on the strategic changes discussed. The mental cognitive abilities cannot either be fully reached with this kind of research material. Instead, the topic would require a more thorough research with the use of observative methods, which could be one proposal for future research on the dynamic managerial capabilities.

Another proposal is to conduct an in-depth case study to see how an organization is going through the strategic changes in different levels, taking into account the dynamic capabilities of other parties, such as employees and managers and their contribution since it was noted that strategic decision making could be becoming more collective due to the decentralization of organizations. It would also be beneficial to test which of the capabilities could have the biggest effect on different roles these managers possess, as well as which capabilities are correlated the most with the company's performance. One proposal for future research is to study negative capabilities or matters that hinder the strategic change process of the company, since only the positive aspects were studied in this research. Furthermore, these remarks on the different nature of the dynamic managerial capabilities, such as the rational, human-centric and creative capabilities, requires more research.

Finally, there were some other remarks made from this data that were not mentioned in the findings. However, it was observed that all interviewees mentioned there had been a shift in the role of marketing in their companies that could be an interesting phenomenon for future research. Many of the participants described that marketing is becoming more and more structured or has been given a more leading role in organizational changes. Digitalization and better accountability of marketing were mentioned to be few of the drivers for this change.

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APPENDIXES

APPENDIX 1: Interview structure

1. Preparatory questions

- a. Who are you and what is your task in this company?
- b. How long have you been in this position?

2. The CIT phase

a. Recollection of the strategic change through examples

- i. When did it begin? What was the most critical reasons why the change was initiated? Is the change still ongoing?

b. Own role and critical factors

- i. Which were the most critical tasks you had in this change?
 - 1. In the beginning?
- ii. How was the change fostered/what was important for the change to advance?

c. Own strength in the process

- i. What was the most important/critical strength that you had when considering this process?

d. Challenges in the process

- i. What was the most significant challenge in this process?

3. Reflection phase

a. Role of marketing in the change

- i. How do you see the role of marketing in this change(s)?
- ii. What was the main task of marketing?

b. Role in the top management team

- i. What kind of TMT you have? Who is included?
- ii. What is your own role in this team?
- iii. What is the role of marketing?

c. General role of marketing

- i. What is the role of marketing in your organization?
- ii. Has it changed? Why/why not?

APPENDIX 2: List of examples of strategic business model changes

Here is a list provided to interviewees beforehand (except Pilot interview 1):

Think of an example of a strategic change in your organization that you had a role in it.

It can be concerning a change in:

- Target audience
- Target market
- Products/services
- Distribution
- Ways to serve
- Brand
- Organizational structure
- Leadership manner
- Revenue model
- etc.

APPENDIX 3: Co-occurrence of codes

Codes	<i>Reconfiguring</i>	<i>Seizing</i>	<i>Sensing</i>
Anticipating competitive threats	0	0	1
Anticipating threats	0	3	6
Assessing the quality of a decision	0	3	1
Attention	6	12	62
Business model creation	3	15	4
Capability of mentally seeing the result	10	16	1
Capability of seeing different outcomes	1	3	1
Capability of seeing the big picture	5	10	1
Challenging viewpoints	3	12	4
Change management	8	2	2
Collecting (tacit) knowledge from partners	0	0	5
Collecting benchmarks	0	0	8
Collecting information	6	6	12
Collecting information for decision-making	10	7	21
Collecting information from customers	5	3	6
Collecting information from employees	6	3	8
Communicating goals	27	9	3
Communicating with partners	11	6	3
Communication & language capabilities	102	58	25
Communication capabilities	51	29	8
Competitor analysis	0	0	6
Constant measuring	4	3	9
Co-operation	1	1	0
Creating consensus	7	12	0
Creating new opportunities	3	7	10
Creating synergies inside the organization	2	1	2
Creating trust	9	8	0
Critical thinking	0	0	0
Culture building	98	24	29
Customer analysis	4	7	23
Customer metrics	2	3	6
Customer orientation mindset	61	55	47
Decision-making	19	74	16
Divesting	0	3	0
Empathy	6	1	0
Environmental scanning	1	1	10
Exploration & experimentation	15	14	25
Fitting together features of BM	0	0	0
Formation of knowledge	7	7	38
Identifying target markets	0	6	7
Implementation	34	4	1

Inducing co-operation	12	7	6
Inspiring others	6	0	1
Internal analysis	0	0	3
Internal marketing	20	4	1
Internal selling of ideas	10	13	2
Interpreting information	2	1	2
Interpreting results	0	2	1
Leadership skills	46	4	6
Learning	19	7	10
Making budgets	0	3	0
Making check points	2	2	1
Making investments	2	4	1
Making tests	0	3	7
Market analysis	1	2	12
Market orientation	18	13	11
Measuring	6	8	9
Motivating others	25	6	4
Negotiating with partners	1	0	0
Organizing information	0	1	0
Overcoming resistance to change	24	4	3
Perception	7	9	43
Persuasion	12	9	0
Problem-solving cognitive abilities	18	43	10
Reasoning	7	47	33
Recognizing opportunities	6	18	35
Reconfiguring assets	19	2	2
Relational capabilities	35	14	14
Revenue model creation	0	1	0
Seeking partners	5	4	0
Selecting enterprise boundaries/divesting	0	6	1
Selecting relevant information	0	1	3
Selecting target groups	0	1	1
Sense-making in an uncertain environment	0	0	8
Setting targets	2	22	3
Social abilities	81	42	17
Social ability - Identifying target audience	4	7	0
Social construction	45	35	27
Social skills	51	26	13
Storytelling	3	2	0
Strategic planning	5	44	3
Structural changes	2	0	0
Using benchmarks	1	2	3
Validation of strategy	25	23	2